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**COUNSEL FOR WALTER O'CHESKEY,
CHAPTER 11 TRUSTEE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
AMARILLO DIVISION**

In re:

American Housing Foundation,
Debtor.

Walter O'Cheskey, as Chapter 11 Trustee,
Plaintiff,

V.

**The Louise Johnson Thomas Trust and
The Cornelia J. Slep Tru**

Defendants.

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## Chapter 11

**Case No.: 09-20232-RLJ**

Adversary No. \_\_\_\_\_

**TRUSTEE'S COMPLAINT AGAINST THE  
LOUISE JOHNSON THOMAS TRUST AND THE CORNELIA  
J. SLEMP TRUST TO AVOID FRAUDULENT OBLIGATIONS, SUBORDINATE  
CERTAIN ALLOWED CLAIMS, AND OBJECTIONS TO CERTAIN CLAIM**

Walter O'Cheskey, the chapter 11 trustee (the "**Trustee**") for American Housing Foundation ("**AHF**" or "**Debtor**"), hereby files this *Complaint* (the "**Complaint**") against Defendants The Louise Johnson Thomas Trust (the "**Thomas Trust**") and the Cornelia J. Slemph Trust (the "**Slemph Trust**" and together with the Thomas Trust, the "**Trusts**"). In support of this Complaint, the Trustee respectfully states as follows:

**I.**  
**EXECUTIVE SUMMARY**

1. The Trusts have each filed a claim for \$200,000 (collectively \$400,000 and referred to herein as the "**Claims**") against AHF arising from a \$400,000 loan from Mr. C.C. Burgess, a principal of Herring Bank, to AHF (the "**Down Payment Note**"). The Down Payment Note was transferred to the Trusts. The books and records of AHF indicate that the Down Payment Note arose from a transfer of property which was disguised as a sale of real property. The transaction appears to have been designed to remove an "REO" asset<sup>1</sup> from the Herring Bank books and to "park" that asset in another entity almost wholly owned by Herring Bank. Accordingly, the Claims related to the Down Payment Note executed as part of this fictitious "sale" should be disallowed in their entirety.

2. The fictitious sale transaction can be summarized as follows:<sup>2</sup>

- Herring Bank made a \$2,864,325 million loan to WCN Enterprises, Inc. secured by a lien on the Clarion Inn & Suites (the "**Clarion**") located in San Angelo, Texas. In 2005 Herring Bank foreclosed upon and became the owner of the Clarion. It appears the Clarion was vacant and not operating at that time.
- Presumably, Herring Bank tried to sell the Clarion between 2005 and 2007.

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<sup>1</sup> REO refers to "real estate owned" by a lending institution.

<sup>2</sup> Attached hereto as Exhibit A is an organizational chart showing how the fictitious sale transaction worked.

- On December 31, 2007, Herring Bank entered into what appears to be a fictitious “sale” transaction set up with Steve Sterquell (“**Sterquell**”). Here is what the records of AHF indicate:
  - In late 2007, Sterquell caused numerous new entities to be formed by Mid-Continent Community Development Corp., a Sterquell affiliate (“**Mid-Continent**”). These entities were MC-CDC-SA, LLC (“**Mid-Continent LLC**”), which was 100% owned by MC-CDC San Angelo, Ltd. (the “**Mid-Continent LP**”). The Mid-Continent LP 2007 and 2008 tax returns and Schedule K-1s reflect that Mid-Continent LP was owned 00.01% by Mid-Continent and **99.99% BY HERRING BANK**. See Exhibit B attached hereto.
  - Herring Bank then “sold” the Clarion to Mid-Continent LLC for \$3,250,000. Herring Bank provided a non-recourse loan of \$2,750,000 to finance the purchase. The amount due seller at closing was \$364,192.76. See Exhibit C attached hereto. Mr. C.C. Burgess, a principal of Herring Bank, “loaned” AHF \$400,000 to make the down payment. See Exhibit D attached hereto.
  - AHF did not own any interest in the purchaser and had no economic reason to incur the \$400,000 obligation under the Down Payment Note.
  - The Mid-Continent 2007 LLC tax return alleges that the fair market value of the Clarion it purchased for \$3,250,000 was really \$5,800,000. See Exhibit E attached hereto.
  - The Mid-Continent LP 2008 tax return and Schedule K-1s indicate that Herring Bank transferred its 99.99% interest in Mid-Continent LP to AHF during 2008, and that Herring Bank was provided a charitable gift tax deduction of \$2,547,295 for the gift (the records contain a “gift letter dated December 31, 2008, in which AHF is acknowledging a gift of an asset with an equity value over the secured debt of \$2,547,295 from Mid-Continent LP). See Exhibits F and G attached hereto.
  - In fact, in a February 24, 2009 e-mail from Jack Hall of Herring Bank to Sterquell, Mr. Hall asked, “Do we [Herring Bank] have a [sic] interest in MC-CDC San Angelo?” Sterquell responded as follows:

You did until December 31, 2008. This was the Hotel that Campbell [Burgess] wanted a charitable gift for. We could not do the gift last year because the Bank had held it in REO. At the end of last year

we reflected that the LLC purchased it and the Bank held an interest in the LLC for long enough to get the charitable gift.

See Exhibit H attached hereto.

- Herring Bank reacquired title to the Clarion on September 7, 2010, by foreclosing its lien securing the Mid-Continent LLC non-recourse note.
- Accordingly, it appears from the AHF records that Herring Bank transferred a vacant and non-operating REO property off its books in exchange for a non-recourse note receivable from an entity it owned. Presumably, Herring Bank could only show that it was financing 85% of the purchase price, so its principal personally “loaned” AHF \$400,000 to be used as the down payment. Then the property or the ownership interest in the entity that owned the property was “gifted” to AHF, valuing the property at \$5,800,000 for gift tax calculation purposes and therefore providing Herring Bank with a gift tax deduction. Herring Bank then reacquired the same property through foreclosure.

## II.

### JURISDICTION AND VENUE

3. On April 21, 2009 (the “**Petition Date**”), certain alleged creditors of AHF filed an involuntary petition against AHF pursuant to chapter 11 and section 303 of title 11 of the United States Code (the “**Bankruptcy Code**”) thus initiating the involuntary case [Case No. 09-20232] (the “**Involuntary Case**”).<sup>3</sup> On June 11, 2009, AHF filed a voluntary petition pursuant to chapter 11 of the Bankruptcy Code, initiating the voluntary case [Case No. 09-20373] (the “**Voluntary Case**”). On July 17, 2009, the Court entered its *Agreed Order Granting Motion to Consolidate Bankruptcy Cases* [Docket No. 88], consolidating the Voluntary Case and the Involuntary Case into a single case pursuant to Bankruptcy Rule 1015(a).

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<sup>3</sup> All references to the “Bankruptcy Code” are made to 11 U.S.C. §§ 101 *et seq.* Unless otherwise indicated, all section references are references to the Bankruptcy Code.

4. This Court has jurisdiction over this adversary proceeding under 28 U.S.C. §§ 157(a) and (b) and 1334. This is a core proceeding as defined in 28 U.S.C. § 157(b). If any part of this adversary proceeding is found to be “non-core” under Bankruptcy Rule 7008, the Trustee consents to the entry of final orders and judgments by this Court. Venue is proper in this Court under 28 U.S.C. §§ 1408 and 1409.

5. This Complaint is brought in accordance with Federal Rules of Bankruptcy Procedure 7001, *et seq.*, and seeks relief under sections 105, 510(c), 544, and 548 of the Bankruptcy Code and section 24.005 of the Texas Business and Commerce Code.

### **III.** **CAUSES OF ACTION**

#### **FIRST CAUSE OF ACTION – AVOIDANCE OF FRAUDULENT OBLIGATIONS**

6. The Trustee realleges and incorporates by reference all preceding paragraphs of this Complaint as if fully set forth herein.

7. In the unlikely event that the obligations under the Down Payment Note are determined to be valid contractual obligations owed by AHF to the Trusts, such obligations should be avoided as fraudulent (the “**Fraudulent Obligations**”) under section 548 of the Bankruptcy Code and the Texas Uniform Fraudulent Transfer Act.

8. Pursuant to section 544(b) of the Bankruptcy Code, the Trustee has the rights of an existing unsecured creditor of AHF. Section 544(b) of the Bankruptcy Code permits the Trustee to assert claims and causes of action that such creditor could assert under applicable state law.

9. At all times relevant herein the Trustee in his capacity as such was and is a creditor of AHF.

10. AHF incurred the Fraudulent Obligations on or within two (2) years of the Petition Date.

11. The Fraudulent Obligations were incurred with the actual intent to hinder, delay, or defraud then and future creditors of AHF.

12. AHF received less than reasonably equivalent value in exchange for the Fraudulent Obligations.

13. AHF was insolvent at the time it incurred the Fraudulent Obligations.

14. At the time the Fraudulent Obligation were incurred, AHF was engaged or was about to engage in a business or a transaction for which its remaining assets were unreasonably small in relation to the business or transaction.

15. At the time each the Fraudulent Obligations were incurred, AHF intended to incur, or believed or reasonably should have believed that it would incur, debts beyond its ability to pay as they became due.

16. The Fraudulent Obligations are, therefore, avoidable as such under sections 548(a)(1)(A) and (a)(1)(B) of the Bankruptcy Code and TEX. BUS. & COMM. CODE § 24.005.

#### **SECOND CAUSE OF ACTION – EQUITABLE SUBORDINATION OF THE CLAIMS**

17. In the unlikely event the Claims are not disallowed in their entirety as arising from avoidable fraudulent obligations, the Claims should be equitably subordinated to the claims of legitimate general unsecured creditors for purposes of distribution. It appears from the records that C.C. Burgess engaged in inequitable conduct, including the conduct described in this Objection, that has resulted in injury to creditors or the conferring of an unfair advantage on or to him. This inequitable conduct has resulted in harm to the AHF bankruptcy estate and its entire creditor body. By virtue of the assignments of the Down Payment Note, the Trusts stepped into

the shoes of C.C. Burgess. Accordingly, pursuant to sections 510(c)(1) and 105(a) of the Bankruptcy Code, the Claims should be equitably subordinated to the allowed claims of legitimate general unsecured creditors for distribution purposes.

**IV.**  
**REQUEST FOR RELIEF**

WHEREFORE, the Trustee respectfully requests that this Court enter judgment in his favor and against the Trusts as follows:

- (i) ordering that the Claims are disallowed in their entirety for all purposes;
- (ii) in the alternative, ordering that the Fraudulent Obligations are avoided and set aside;
- (iii) further in the alternative, ordering that any allowed portion of the Claims is subordinated to the allowed claims of general unsecured creditors for distribution purposes;
- (iv) awarding the Trustee his attorneys' fees and costs of suit; and
- (v) awarding the Trustee all such other and further relief, at law or in equity, to which he may be justly entitled.

Dated: September 10, 2010

Respectfully submitted,

Max R. Tarbox (TX 19639950)  
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Lubbock, Texas 79401  
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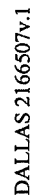
And

/s/ Marcus A. Helt  
Stephen A. McCartin (TX 13374700)  
Marcus A. Helt (TX 24052187)  
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**COUNSEL FOR WALTER  
O'CHESKEY, CHAPTER 11 TRUSTEE**



## Exhibit A



## Exhibit B

651107

OMB No. 1545-0099

**Schedule K-1**  
**(Form 1065)**

**2007**

Department of the Treasury  
Internal Revenue Service

For calendar year 2007, or tax  
year beginning \_\_\_\_\_, 2007  
ending \_\_\_\_\_, 2007

**Partner's Share of Income, Deductions, Credits, etc.**  
▶ See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
**26-1599882**

**B** Partnership's name, address, city, state, and ZIP code  
**MC-CDC San Angelo, Ltd.**  
**1800 S. Washington, Suite 309**  
**Amarillo, TX 79102**

**C** IRS Center where partnership filed return  
**Ogden, UT**

**D** ☐ Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
**76-0580544**

**F** Partner's name, address, city, state, and ZIP code  
**Mid-Continent Community Development Corp.**  
**1800 S. Washington, Suite 309**  
**Amarillo, TX 79102**

**G** ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

**H** ☒ Domestic partner ☐ Foreign partner

**I** What type of entity is this partner? **Exempt Org**

**J** Partner's share of profit, loss, and capital:

|         | Beginning | Ending    |
|---------|-----------|-----------|
| Profit  | 0.01000 % | 0.01000 % |
| Loss    | 0.01000 % | 0.01000 % |
| Capital | 0.01000 % | 0.01000 % |

**K** Partner's share of liabilities at year end:

Nonrecourse ..... \$

Qualified nonrecourse financing ..... \$

Recourse ..... \$

**L** Partner's capital account analysis:

Beginning capital account ..... \$

Capital contributed during the year ..... \$

Current year increase (decrease) ..... \$ 0.

Withdrawals and distributions ..... \$

Ending capital account ..... \$ 0.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book

☐ Other (explain)

☐ Final K-1 ☐ Amended K-1

**Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

|           |                                      |           |                                              |
|-----------|--------------------------------------|-----------|----------------------------------------------|
| <b>1</b>  | Ordinary business income (loss)      | <b>15</b> | Credits                                      |
| <b>2</b>  | Net rental real estate income (loss) |           |                                              |
| <b>3</b>  | Other net rental income (loss)       | <b>16</b> | Foreign transactions                         |
| <b>4</b>  | Guaranteed payments                  |           |                                              |
| <b>5</b>  | Interest income                      |           |                                              |
| <b>6a</b> | Ordinary dividends                   |           |                                              |
| <b>6b</b> | Qualified dividends                  |           |                                              |
| <b>7</b>  | Royalties                            |           |                                              |
| <b>8</b>  | Net short-term capital gain (loss)   |           |                                              |
| <b>9a</b> | Net long-term capital gain (loss)    | <b>17</b> | Alternative minimum tax (AMT) items          |
| <b>9b</b> | Collectibles (28%) gain (loss)       |           |                                              |
| <b>9c</b> | Unrecaptured section 1250 gain       |           |                                              |
| <b>10</b> | Net section 1231 gain (loss)         | <b>18</b> | Tax-exempt income and nondeductible expenses |
| <b>11</b> | Other income (loss)                  |           |                                              |
|           |                                      |           |                                              |
|           |                                      | <b>19</b> | Distributions                                |
| <b>12</b> | Section 179 deduction                |           |                                              |
| <b>13</b> | Other deductions                     | <b>20</b> | Other information                            |
|           |                                      |           |                                              |
| <b>14</b> | Self-employment earnings (loss)      |           |                                              |

\*See attached statement for additional information.

FOR IRS USE ONLY

Schedule K-1 (Form 1065) 2007 **Mid-Continent Community Development Corp.** 26-1599882 Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

|                                                                                                                                                              | Code                                                      | Report on                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------|
| <b>1 Ordinary business income (loss).</b> You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows: |                                                           |                                                                   |
| Passive loss                                                                                                                                                 | See the Partner's Instructions                            |                                                                   |
| Passive income                                                                                                                                               | Schedule E, line 28, column (g)                           |                                                                   |
| Nonpassive loss                                                                                                                                              | Schedule E, line 28, column (h)                           |                                                                   |
| Nonpassive income                                                                                                                                            | Schedule E, line 28, column (i)                           |                                                                   |
| <b>2 Net rental real estate income (loss)</b>                                                                                                                | See the Partner's Instructions                            |                                                                   |
| <b>3 Other net rental income (loss)</b>                                                                                                                      |                                                           |                                                                   |
| Net income                                                                                                                                                   | Schedule E, line 28, column (g)                           |                                                                   |
| Net loss                                                                                                                                                     | See the Partner's Instructions                            |                                                                   |
| <b>4 Guaranteed payments</b>                                                                                                                                 | Schedule E, line 28, column (i)                           |                                                                   |
| <b>5 Interest income</b>                                                                                                                                     | Form 1040, line 8a                                        |                                                                   |
| <b>6a Ordinary dividends</b>                                                                                                                                 | Form 1040, line 9a                                        |                                                                   |
| <b>6b Qualified dividends</b>                                                                                                                                | Form 1040, line 9b                                        |                                                                   |
| <b>7 Royalties</b>                                                                                                                                           | Schedule E, line 4                                        |                                                                   |
| <b>8 Net short-term capital gain (loss)</b>                                                                                                                  | Schedule D, line 5, column (f)                            |                                                                   |
| <b>9a Net long-term capital gain (loss)</b>                                                                                                                  | Schedule D, line 12, column (f)                           |                                                                   |
| <b>9b Collectibles (28%) gain (loss)</b>                                                                                                                     | 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) |                                                                   |
| <b>9c Unrecaptured section 1250 gain</b>                                                                                                                     | See the Partner's Instructions                            |                                                                   |
| <b>10 Net section 1231 gain (loss)</b>                                                                                                                       | See the Partner's Instructions                            |                                                                   |
| <b>11 Other income (loss)</b>                                                                                                                                |                                                           |                                                                   |
| Code                                                                                                                                                         |                                                           |                                                                   |
| A Other portfolio income (loss)                                                                                                                              | See the Partner's Instructions                            |                                                                   |
| B Involuntary conversions                                                                                                                                    | See the Partner's Instructions                            |                                                                   |
| C Section 1256 contracts and straddles                                                                                                                       | Form 6781, line 1                                         |                                                                   |
| D Mining exploration costs recapture                                                                                                                         | See Pub 535                                               |                                                                   |
| E Cancellation of debt                                                                                                                                       | Form 1040, line 21 or Form 982                            |                                                                   |
| F Other income (loss)                                                                                                                                        | See the Partner's Instructions                            |                                                                   |
| <b>12 Section 179 deduction</b>                                                                                                                              | See the Partner's Instructions                            |                                                                   |
| <b>13 Other deductions</b>                                                                                                                                   |                                                           |                                                                   |
| A Cash contributions (50%)                                                                                                                                   | See the Partner's Instructions                            |                                                                   |
| B Cash contributions (30%)                                                                                                                                   |                                                           |                                                                   |
| C Noncash contributions (50%)                                                                                                                                |                                                           |                                                                   |
| D Noncash contributions (30%)                                                                                                                                |                                                           |                                                                   |
| E Capital gain property to a 50% organization (30%)                                                                                                          |                                                           |                                                                   |
| F Capital gain property (20%)                                                                                                                                |                                                           |                                                                   |
| G Investment interest expense                                                                                                                                | Form 4952, line 1                                         |                                                                   |
| H Deductions — royalty income                                                                                                                                | Schedule E, line 18                                       |                                                                   |
| I Section 59(e)(2) expenditures                                                                                                                              | See the Partner's Instructions                            |                                                                   |
| J Deductions — portfolio (2% floor)                                                                                                                          | Schedule A, line 23                                       |                                                                   |
| K Deductions — portfolio (other)                                                                                                                             | Schedule A, line 28                                       |                                                                   |
| L Amounts paid for medical insurance                                                                                                                         | Schedule A, line 1 or Form 1040, line 29                  |                                                                   |
| M Educational assistance benefits                                                                                                                            | See the Partner's Instructions                            |                                                                   |
| N Dependent care benefits                                                                                                                                    | Form 2441, line 14                                        |                                                                   |
| O Preproductive period expenses                                                                                                                              | See the Partner's Instructions                            |                                                                   |
| P Commercial revitalization deduction from rental real estate activities                                                                                     | See Form 8582 Instructions                                |                                                                   |
| Q Pensions and IRAs                                                                                                                                          | See the Partner's Instructions                            |                                                                   |
| R Reforestation expense deduction                                                                                                                            | See the Partner's Instructions                            |                                                                   |
| S Domestic production activities information                                                                                                                 | See Form 8903 Instructions                                |                                                                   |
| T Qualified production activities income                                                                                                                     | Form 8903, line 7                                         |                                                                   |
| U Employer's W-2 wages                                                                                                                                       | Form 8903, line 15                                        |                                                                   |
| V Other deductions                                                                                                                                           | See the Partner's Instructions                            |                                                                   |
| <b>14 Self-employment earnings (loss)</b>                                                                                                                    |                                                           |                                                                   |
| Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.                     |                                                           |                                                                   |
| A Net earnings (loss) from self-employment                                                                                                                   | Schedule SE, Section A or B                               |                                                                   |
| B Gross farming or fishing income                                                                                                                            | See the Partner's Instructions                            |                                                                   |
| C Gross non-farm income                                                                                                                                      | See the Partner's Instructions                            |                                                                   |
| <b>15 Credits</b>                                                                                                                                            |                                                           |                                                                   |
| A Low-income housing credit (section 42(j)(5))                                                                                                               | See the Partner's Instructions                            |                                                                   |
| B Low-income housing credit (other)                                                                                                                          |                                                           |                                                                   |
| C Qualified rehabilitation expenditures (rental real estate)                                                                                                 |                                                           |                                                                   |
| D Other rental real estate credits                                                                                                                           |                                                           |                                                                   |
| E Other rental credits                                                                                                                                       | Form 1040, line 70; check box a                           |                                                                   |
| F Undistributed capital gains credit                                                                                                                         |                                                           |                                                                   |
| G Credit for alcohol used as fuel                                                                                                                            | See the Partner's Instructions                            |                                                                   |
| H Work opportunity credit                                                                                                                                    |                                                           |                                                                   |
| I Welfare-to-work credit                                                                                                                                     |                                                           |                                                                   |
| J Disabled access credit                                                                                                                                     |                                                           |                                                                   |
| <b>Code</b>                                                                                                                                                  |                                                           |                                                                   |
| K Empowerment zone and renewal community employment credit                                                                                                   |                                                           | Form 8844, line 3                                                 |
| L Credit for increasing research activities                                                                                                                  |                                                           | See the Partner's Instructions                                    |
| M New markets credit                                                                                                                                         |                                                           |                                                                   |
| N Credit for employer social security and Medicare taxes                                                                                                     |                                                           |                                                                   |
| O Backup withholding                                                                                                                                         |                                                           | Form 1040, line 64                                                |
| P Other credits                                                                                                                                              |                                                           | See the Partner's Instructions                                    |
| <b>16 Foreign transactions</b>                                                                                                                               |                                                           |                                                                   |
| A Name of country or U.S. possession                                                                                                                         |                                                           | Form 1116, Part I                                                 |
| B Gross income from all sources                                                                                                                              |                                                           |                                                                   |
| C Gross income sourced at partner level                                                                                                                      |                                                           | Form 1116, Part I                                                 |
| Foreign gross income sourced at partnership level                                                                                                            |                                                           |                                                                   |
| D Passive category                                                                                                                                           |                                                           | Form 1116, Part I                                                 |
| E General category                                                                                                                                           |                                                           |                                                                   |
| F Other                                                                                                                                                      |                                                           | Form 1116, Part I                                                 |
| Deductions allocated and apportioned at partner level                                                                                                        |                                                           |                                                                   |
| G Interest expense                                                                                                                                           |                                                           | Form 1116, Part I                                                 |
| H Other                                                                                                                                                      |                                                           | Form 1116, Part I                                                 |
| Deductions allocated and apportioned at partnership level to foreign source income                                                                           |                                                           |                                                                   |
| I Passive category                                                                                                                                           |                                                           | Form 1116, Part I                                                 |
| J General category                                                                                                                                           |                                                           |                                                                   |
| K Other                                                                                                                                                      |                                                           |                                                                   |
| <b>Other information</b>                                                                                                                                     |                                                           |                                                                   |
| L Total foreign taxes paid                                                                                                                                   |                                                           | Form 1116, Part II                                                |
| M Total foreign taxes accrued                                                                                                                                |                                                           | Form 1116, Part II                                                |
| N Reduction in taxes available for credit                                                                                                                    |                                                           | Form 1116, line 12                                                |
| O Foreign trading gross receipts                                                                                                                             |                                                           | Form 8873                                                         |
| P Extraterritorial income exclusion                                                                                                                          |                                                           | Form 8873                                                         |
| Q Other foreign transactions                                                                                                                                 |                                                           | See the Partner's Instructions                                    |
| <b>17 Alternative minimum tax (AMT) items</b>                                                                                                                |                                                           |                                                                   |
| A Post-1986 depreciation adjustment                                                                                                                          |                                                           | See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss                                                                                                                                      |                                                           |                                                                   |
| C Depletion (other than oil & gas)                                                                                                                           |                                                           |                                                                   |
| D Oil, gas, & geothermal — gross income                                                                                                                      |                                                           |                                                                   |
| E Oil, gas, & geothermal — deductions                                                                                                                        |                                                           |                                                                   |
| F Other AMT items                                                                                                                                            |                                                           |                                                                   |
| <b>18 Tax-exempt income and nondeductible expenses</b>                                                                                                       |                                                           |                                                                   |
| A Tax-exempt interest income                                                                                                                                 |                                                           | Form 1040, line 8b                                                |
| B Other tax-exempt income                                                                                                                                    |                                                           | See the Partner's Instructions                                    |
| C Nondeductible expenses                                                                                                                                     |                                                           | See the Partner's Instructions                                    |
| <b>19 Distributions</b>                                                                                                                                      |                                                           |                                                                   |
| A Cash and marketable securities                                                                                                                             |                                                           | See the Partner's Instructions                                    |
| B Other property                                                                                                                                             |                                                           | See the Partner's Instructions                                    |
| <b>20 Other information</b>                                                                                                                                  |                                                           |                                                                   |
| A Investment income                                                                                                                                          |                                                           | Form 4952, line 4a                                                |
| B Investment expenses                                                                                                                                        |                                                           | Form 4952, line 5                                                 |
| C Fuel tax credit information                                                                                                                                |                                                           | Form 4136                                                         |
| D Qualified rehabilitation expenditures (other than rental real estate)                                                                                      |                                                           | See the Partner's Instructions                                    |
| E Basis of energy property                                                                                                                                   |                                                           | See the Partner's Instructions                                    |
| F Recapture of low-income housing credit (section 42(j)(5))                                                                                                  |                                                           | Form 8611, line 8                                                 |
| G Recapture of low-income housing credit (other)                                                                                                             |                                                           | Form 8611, line 8                                                 |
| H Recapture of investment credit                                                                                                                             |                                                           | Form 4255                                                         |
| I Recapture of other credits                                                                                                                                 |                                                           | See the Partner's Instructions                                    |
| J Look-back interest — completed long-term contracts                                                                                                         |                                                           | See Form 8697                                                     |
| K Look-back interest — income forecast method                                                                                                                |                                                           | See Form 8866                                                     |
| L Dispositions of property with section 179 deductions                                                                                                       |                                                           | See the Partner's Instructions                                    |
| M Recapture of section 179 deduction                                                                                                                         |                                                           |                                                                   |
| N Interest expense for corporate partners                                                                                                                    |                                                           |                                                                   |
| O Section 453(l)(3) information                                                                                                                              |                                                           |                                                                   |
| P Section 453A(c) information                                                                                                                                |                                                           |                                                                   |
| Q Section 1260(b) information                                                                                                                                |                                                           |                                                                   |
| R Interest allocable to production expenditures                                                                                                              |                                                           |                                                                   |
| S CCF nonqualified withdrawals                                                                                                                               |                                                           |                                                                   |
| T Information needed to figure depletion — oil and gas                                                                                                       |                                                           |                                                                   |
| U Amortization of reforestation costs                                                                                                                        |                                                           |                                                                   |
| V Unrelated business taxable income                                                                                                                          |                                                           |                                                                   |
| W Other information                                                                                                                                          |                                                           |                                                                   |

651107

OMB No. 1545-0099

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2007**

For calendar year 2007, or tax  
year beginning \_\_\_\_\_, 2007  
ending \_\_\_\_\_.

**Partner's Share of Income, Deductions,  
Credits, etc.** ▶ See separate instructions.

|                                                                                                                                                   |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Part I Information About the Partnership</b>                                                                                                   |  |
| <b>A</b> Partnership's employer identification number<br>26-1599882                                                                               |  |
| <b>B</b> Partnership's name, address, city, state, and ZIP code<br>MC-CDC San Angelo, Ltd.<br>1800 S. Washington, Suite 309<br>Amarillo, TX 79102 |  |
| <b>C</b> IRS Center where partnership filed return<br>Ogden, UT                                                                                   |  |
| <b>D</b> <input type="checkbox"/> Check if this is a publicly traded partnership (PTP)                                                            |  |
| <b>Part II Information About the Partner</b>                                                                                                      |  |
| <b>E</b> Partner's identifying number<br>75-0330569                                                                                               |  |
| <b>F</b> Partner's name, address, city, state, and ZIP code<br>Herring Bank<br>2201 Civic Circle<br>Amarillo, TX 79109                            |  |
| <b>G</b> <input type="checkbox"/> General partner or LLC member-manager <input checked="" type="checkbox"/> Limited partner or other LLC member   |  |
| <b>H</b> <input checked="" type="checkbox"/> Domestic partner <input type="checkbox"/> Foreign partner                                            |  |
| <b>I</b> What type of entity is this partner? <u>Nominee-C</u>                                                                                    |  |
| <b>J</b> Partner's share of profit, loss, and capital:                                                                                            |  |
| Beginning Ending                                                                                                                                  |  |
| Profit 99.99000 % 99.99000 %                                                                                                                      |  |
| Loss 99.99000 % 99.99000 %                                                                                                                        |  |
| Capital 99.99000 % 99.99000 %                                                                                                                     |  |
| <b>K</b> Partner's share of liabilities at year end:                                                                                              |  |
| Nonrecourse \$                                                                                                                                    |  |
| Qualified nonrecourse financing \$                                                                                                                |  |
| Recourse \$                                                                                                                                       |  |
| <b>L</b> Partner's capital account analysis:                                                                                                      |  |
| Beginning capital account \$                                                                                                                      |  |
| Capital contributed during the year \$                                                                                                            |  |
| Current year increase (decrease) \$ 0.                                                                                                            |  |
| Withdrawals and distributions \$                                                                                                                  |  |
| Ending capital account \$ 0.                                                                                                                      |  |
| <input checked="" type="checkbox"/> Tax basis <input type="checkbox"/> GAAP <input type="checkbox"/> Section 704(b) book                          |  |
| <input type="checkbox"/> Other (explain)                                                                                                          |  |

|                                                                                              |                                                 |
|----------------------------------------------------------------------------------------------|-------------------------------------------------|
| <input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1                      |                                                 |
| <b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b> |                                                 |
| 1 Ordinary business income (loss)                                                            | 15 Credits                                      |
| 2 Net rental real estate income (loss)                                                       |                                                 |
| 3 Other net rental income (loss)                                                             | 16 Foreign transactions                         |
| 4 Guaranteed payments                                                                        |                                                 |
| 5 Interest income                                                                            |                                                 |
| 6a Ordinary dividends                                                                        |                                                 |
| 6b Qualified dividends                                                                       |                                                 |
| 7 Royalties                                                                                  |                                                 |
| 8 Net short-term capital gain (loss)                                                         |                                                 |
| 9a Net long-term capital gain (loss)                                                         | 17 Alternative minimum tax (AMT) items          |
| 9b Collectibles (28%) gain (loss)                                                            |                                                 |
| 9c Unrecaptured section 1250 gain                                                            |                                                 |
| 10 Net section 1231 gain (loss)                                                              | 18 Tax-exempt income and nondeductible expenses |
| 11 Other income (loss)                                                                       |                                                 |
|                                                                                              |                                                 |
| 12 Section 179 deduction                                                                     | 19 Distributions                                |
| 13 Other deductions                                                                          | 20 Other information                            |
|                                                                                              |                                                 |
| 14 Self-employment earnings (loss)                                                           |                                                 |
| *See attached statement for additional information.                                          |                                                 |
| FOR IRS USE ONLY                                                                             |                                                 |

Schedule K-1 (Form 1065) 2007 **Herring Bank**

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

|                                                                                                                                                              | Report on                                                 | Code                                                                                      | Report on                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>1 Ordinary business income (loss).</b> You must first determine whether the income (loss) is passive or nonpassive. Then enter on your return as follows: |                                                           | <b>K</b> Empowerment zone and renewal community employment credit                         | Form 8844, line 3                                                 |
| Passive loss                                                                                                                                                 | See the Partner's Instructions                            | <b>L</b> Credit for increasing research activities                                        | See the Partner's Instructions                                    |
| Passive income                                                                                                                                               | Schedule E, line 28, column (g)                           | <b>M</b> New markets credit                                                               |                                                                   |
| Nonpassive loss                                                                                                                                              | Schedule E, line 28, column (h)                           | <b>N</b> Credit for employer social security and Medicare taxes                           |                                                                   |
| Nonpassive income                                                                                                                                            | Schedule E, line 28, column (j)                           | <b>O</b> Backup withholding                                                               | Form 1040, line 64                                                |
| <b>2 Net rental real estate income (loss)</b>                                                                                                                | See the Partner's Instructions                            | <b>P</b> Other credits                                                                    | See the Partner's Instructions                                    |
| <b>3 Other net rental income (loss)</b>                                                                                                                      |                                                           | <b>16 Foreign transactions</b>                                                            |                                                                   |
| Net income                                                                                                                                                   | Schedule E, line 28, column (g)                           | <b>A</b> Name of country or U.S. possession                                               | Form 1116, Part I                                                 |
| Net loss                                                                                                                                                     | See the Partner's Instructions                            | <b>B</b> Gross income from all sources                                                    |                                                                   |
| <b>4 Guaranteed payments</b>                                                                                                                                 | Schedule E, line 28, column (j)                           | <b>C</b> Gross income sourced at partner level                                            |                                                                   |
| <b>5 Interest income</b>                                                                                                                                     | Form 1040, line 8a                                        | <b>Foreign gross income sourced at partnership level</b>                                  |                                                                   |
| <b>6a Ordinary dividends</b>                                                                                                                                 | Form 1040, line 9a                                        | <b>D</b> Passive category                                                                 | Form 1116, Part I                                                 |
| <b>6b Qualified dividends</b>                                                                                                                                | Form 1040, line 9b                                        | <b>E</b> General category                                                                 |                                                                   |
| <b>7 Royalties</b>                                                                                                                                           | Schedule E, line 4                                        | <b>F</b> Other                                                                            |                                                                   |
| <b>8 Net short-term capital gain (loss)</b>                                                                                                                  | Schedule D, line 5, column (f)                            | <b>Deductions allocated and apportioned at partner level</b>                              |                                                                   |
| <b>9a Net long-term capital gain (loss)</b>                                                                                                                  | Schedule D, line 12, column (f)                           | <b>G</b> Interest expense                                                                 | Form 1116, Part I                                                 |
| <b>9b Collectibles (28%) gain (loss)</b>                                                                                                                     | 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) | <b>H</b> Other                                                                            | Form 1116, Part I                                                 |
| <b>9c Unrecaptured section 1250 gain</b>                                                                                                                     | See the Partner's Instructions                            | <b>Deductions allocated and apportioned at partnership level to foreign source income</b> |                                                                   |
| <b>10 Net section 1231 gain (loss)</b>                                                                                                                       | See the Partner's Instructions                            | <b>I</b> Passive category                                                                 | Form 1116, Part I                                                 |
| <b>11 Other income (loss)</b>                                                                                                                                |                                                           | <b>J</b> General category                                                                 |                                                                   |
| <b>Code</b>                                                                                                                                                  |                                                           | <b>K</b> Other                                                                            |                                                                   |
| <b>A</b> Other portfolio income (loss)                                                                                                                       | See the Partner's Instructions                            | <b>Other information</b>                                                                  |                                                                   |
| <b>B</b> Involuntary conversions                                                                                                                             | See the Partner's Instructions                            | <b>L</b> Total foreign taxes paid                                                         | Form 1116, Part II                                                |
| <b>C</b> Section 1256 contracts and straddles                                                                                                                | Form 6781, line 1                                         | <b>M</b> Total foreign taxes accrued                                                      | Form 1116, Part II                                                |
| <b>D</b> Mining exploration costs recapture                                                                                                                  | See Pub 535                                               | <b>N</b> Reduction in taxes available for credit                                          | Form 1116, line 12                                                |
| <b>E</b> Cancellation of debt                                                                                                                                | Form 1040, line 21 or Form 982                            | <b>O</b> Foreign trading gross receipts                                                   | Form 8873                                                         |
| <b>F</b> Other income (loss)                                                                                                                                 | See the Partner's Instructions                            | <b>P</b> Extraterritorial income exclusion                                                | Form 8873                                                         |
| <b>12 Section 179 deduction</b>                                                                                                                              | See the Partner's Instructions                            | <b>Q</b> Other foreign transactions                                                       | See the Partner's Instructions                                    |
| <b>13 Other deductions</b>                                                                                                                                   |                                                           | <b>17 Alternative minimum tax (AMT) items</b>                                             |                                                                   |
| <b>A</b> Cash contributions (50%)                                                                                                                            | See the Partner's Instructions                            | <b>A</b> Post-1986 depreciation adjustment                                                | See the Partner's Instructions and the instructions for Form 6251 |
| <b>B</b> Cash contributions (30%)                                                                                                                            |                                                           | <b>B</b> Adjusted gain or loss                                                            |                                                                   |
| <b>C</b> Noncash contributions (50%)                                                                                                                         |                                                           | <b>C</b> Depletion (other than oil & gas)                                                 |                                                                   |
| <b>D</b> Noncash contributions (30%)                                                                                                                         |                                                           | <b>D</b> Oil, gas, & geothermal — gross income                                            |                                                                   |
| <b>E</b> Capital gain property to a 50% organization (30%)                                                                                                   |                                                           | <b>E</b> Oil, gas, & geothermal — deductions                                              |                                                                   |
| <b>F</b> Capital gain property (20%)                                                                                                                         |                                                           | <b>F</b> Other AMT items                                                                  |                                                                   |
| <b>G</b> Investment interest expense                                                                                                                         | Form 4952, line 1                                         | <b>18 Tax-exempt income and nondeductible expenses</b>                                    |                                                                   |
| <b>H</b> Deductions — royalty income                                                                                                                         | Schedule E, line 18                                       | <b>A</b> Tax-exempt interest income                                                       | Form 1040, line 8b                                                |
| <b>I</b> Section 59(e)(2) expenditures                                                                                                                       | See the Partner's Instructions                            | <b>B</b> Other tax-exempt income                                                          | See the Partner's Instructions                                    |
| <b>J</b> Deductions — portfolio (2% floor)                                                                                                                   | Schedule A, line 23                                       | <b>C</b> Nondeductible expenses                                                           | See the Partner's Instructions                                    |
| <b>K</b> Deductions — portfolio (other)                                                                                                                      | Schedule A, line 28                                       | <b>19 Distributions</b>                                                                   |                                                                   |
| <b>L</b> Amounts paid for medical insurance                                                                                                                  | Schedule A, line 1 or Form 1040, line 29                  | <b>A</b> Cash and marketable securities                                                   | See the Partner's Instructions                                    |
| <b>M</b> Educational assistance benefits                                                                                                                     | See the Partner's Instructions                            | <b>B</b> Other property                                                                   | See the Partner's Instructions                                    |
| <b>N</b> Dependent care benefits                                                                                                                             | Form 2441, line 14                                        | <b>20 Other information</b>                                                               |                                                                   |
| <b>O</b> Preproductive period expenses                                                                                                                       | See the Partner's Instructions                            | <b>A</b> Investment income                                                                | Form 4952, line 4a                                                |
| <b>P</b> Commercial revitalization deduction from rental real estate activities                                                                              | See Form 8582 Instructions                                | <b>B</b> Investment expenses                                                              | Form 4952, line 5                                                 |
| <b>Q</b> Pensions and IRAs                                                                                                                                   | See the Partner's Instructions                            | <b>C</b> Fuel tax credit information                                                      | Form 4136                                                         |
| <b>R</b> Reforestation expense deduction                                                                                                                     | See the Partner's Instructions                            | <b>D</b> Qualified rehabilitation expenditures (other than rental real estate)            | See the Partner's Instructions                                    |
| <b>S</b> Domestic production activities information                                                                                                          | See Form 8903 Instructions                                | <b>E</b> Basis of energy property                                                         | See the Partner's Instructions                                    |
| <b>T</b> Qualified production activities income                                                                                                              | Form 8903, line 7                                         | <b>F</b> Recapture of low-income housing credit (section 42(j)(5))                        | Form 8611, line 8                                                 |
| <b>U</b> Employer's W-2 wages                                                                                                                                | Form 8903, line 15                                        | <b>G</b> Recapture of low-income housing credit (other)                                   | Form 8611, line 8                                                 |
| <b>V</b> Other deductions                                                                                                                                    | See the Partner's Instructions                            | <b>H</b> Recapture of investment credit                                                   | Form 4255                                                         |
| <b>14 Self-employment earnings (loss)</b>                                                                                                                    |                                                           | <b>I</b> Recapture of other credits                                                       | See the Partner's Instructions                                    |
| <b>Note.</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.              |                                                           | <b>J</b> Look-back interest — completed long-term contracts                               | See Form 8697                                                     |
| <b>A</b> Net earnings (loss) from self-employment                                                                                                            | Schedule SE, Section A or B                               | <b>K</b> Look-back interest — income forecast method                                      | See Form 8866                                                     |
| <b>B</b> Gross farming or fishing income                                                                                                                     | See the Partner's Instructions                            | <b>L</b> Dispositions of property with section 179 deductions                             | See the Partner's Instructions                                    |
| <b>C</b> Gross non-farm income                                                                                                                               | See the Partner's Instructions                            | <b>M</b> Recapture of section 179 deduction                                               |                                                                   |
| <b>15 Credits</b>                                                                                                                                            |                                                           | <b>N</b> Interest expense for corporate partners                                          |                                                                   |
| <b>A</b> Low-income housing credit (section 42(j)(5))                                                                                                        | See the Partner's Instructions                            | <b>O</b> Section 453(l)(3) information                                                    |                                                                   |
| <b>B</b> Low-income housing credit (other)                                                                                                                   |                                                           | <b>P</b> Section 453A(c) information                                                      |                                                                   |
| <b>C</b> Qualified rehabilitation expenditures (rental real estate)                                                                                          |                                                           | <b>Q</b> Section 1260(b) information                                                      |                                                                   |
| <b>D</b> Other rental real estate credits                                                                                                                    |                                                           | <b>R</b> Interest allocable to production expenditures                                    |                                                                   |
| <b>E</b> Other rental credits                                                                                                                                |                                                           | <b>S</b> CCF nonqualified withdrawals                                                     |                                                                   |
| <b>F</b> Undistributed capital gains credit                                                                                                                  | Form 1040, line 70; check box a                           | <b>T</b> Information needed to figure depletion — oil and gas                             |                                                                   |
| <b>G</b> Credit for alcohol used as fuel                                                                                                                     | See the Partner's Instructions                            | <b>U</b> Amortization of reforestation costs                                              |                                                                   |
| <b>H</b> Work opportunity credit                                                                                                                             |                                                           | <b>V</b> Unrelated business taxable income                                                |                                                                   |
| <b>I</b> Welfare-to-work credit                                                                                                                              |                                                           | <b>W</b> Other information                                                                |                                                                   |
| <b>J</b> Disabled access credit                                                                                                                              |                                                           |                                                                                           |                                                                   |

## 2008

For calendar year 2008, or tax

year beginning \_\_\_\_\_, 2008  
ending \_\_\_\_\_.

► **See separate instructions.**

**Part I Information About the Partnership**

**D** ☐ Check if this is a publicly traded partnership (PTP)

## Part II Information About the Partner

1 What type of entity is this partner? **Exempt Org**

**J Partner's share of profit, loss, and capital (see instructions):**

|     | <b>Beginning</b> | <b>Ending</b> |
|-----|------------------|---------------|
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|         |           |           |
|---------|-----------|-----------|
| Profit  | 0.01000 % | 0.00000 % |
| Loss    | 0.01000 % | 0.00000 % |
| Capital | 0.01000 % | 0.00000 % |

**K Partner's share of liabilities at year end:**

|                                       |    |    |
|---------------------------------------|----|----|
| Nonrecourse .....                     | \$ |    |
| Qualified nonrecourse financing ..... | \$ | 0. |
| Recourse .....                        | \$ |    |

**L Partner's capital account analysis:**

|                                           |    |       |
|-------------------------------------------|----|-------|
| Beginning capital account .....           | \$ | 0.    |
| Capital contributed during the year ..... | \$ | 112.  |
| Current year increase (decrease) .....    | \$ | -112. |
| Withdrawals and distributions .....       | \$ |       |
| Ending capital account .....              | \$ | 0.    |

☒ Tax basis      ☐ GAAP      ☐ Section 704(b) book  
☐ Other (explain)

☒ Final K-1 ☐ Amended K-1

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

|    |                                      |    |                                              |
|----|--------------------------------------|----|----------------------------------------------|
| 1  | Ordinary business income (loss)      | 15 | Credits                                      |
|    | 0.                                   |    |                                              |
| 2  | Net rental real estate income (loss) |    |                                              |
| 3  | Other net rental income (loss)       | 16 | Foreign transactions                         |
| 4  | Guaranteed payments                  |    |                                              |
| 5  | Interest income                      |    |                                              |
| 6a | Ordinary dividends                   |    |                                              |
| 6b | Qualified dividends                  |    |                                              |
| 7  | Royalties                            |    |                                              |
| 8  | Net short-term capital gain (loss)   |    |                                              |
| 9a | Net long-term capital gain (loss)    | 17 | Alternative minimum tax (AMT) items          |
|    | 143.                                 |    |                                              |
| 9b | Collectibles (28%) gain (loss)       |    |                                              |
| 9c | Unrecaptured section 1250 gain       |    |                                              |
| 0  | Net section 1231 gain (loss)         | 18 | Tax-exempt income and nondeductible expenses |
| 1  | Other income (loss)                  |    |                                              |
|    |                                      |    |                                              |
|    |                                      |    |                                              |
|    |                                      | 19 | Distributions                                |
| 2  | Section 179 deduction                |    |                                              |
| 3  | Other deductions                     |    |                                              |
|    | 255.                                 | 20 | Other information                            |
|    |                                      |    |                                              |
|    |                                      |    |                                              |
| 4  | Self-employment earnings (loss)      |    |                                              |
|    |                                      |    |                                              |

\*See attached statement for additional information.

FOR USE ONLY



Schedule K-1 (Form 1065) 2008 **Mid-Continent Community Development Corp.** 26-1599882 Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

- 1 Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.
- Passive loss  
Passive income  
Nonpassive loss  
Nonpassive income
- 2 Net rental real estate income (loss)**  
**3 Other net rental income (loss)**
- Net income  
Net loss
- 4 Guaranteed payments**  
**5 Interest income**  
**6a Ordinary dividends**  
**6b Qualified dividends**  
**7 Royalties**  
**8 Net short-term capital gain (loss)**  
**9a Net long-term capital gain (loss)**  
**9b Collectibles (28%) gain (loss)**
- 9C Unrecaptured section 1250 gain**  
**10 Net section 1231 gain (loss)**  
**11 Other income (loss)**
- Code**  
**A** Other portfolio income (loss)  
**B** Involuntary conversions  
**C** Section 1256 contracts and straddles  
**D** Mining exploration costs recapture  
**E** Cancellation of debt  
**F** Other income (loss)
- 12 Section 179 deduction**  
**13 Other deductions**
- A** Cash contributions (50%)  
**B** Cash contributions (30%)  
**C** Noncash contributions (50%)  
**D** Noncash contributions (30%)  
**E** Capital gain property to a 50% organization (30%)  
**F** Capital gain property (20%)  
**G** Contributions (100%)  
**H** Investment interest expense  
**I** Deductions — royalty income  
**J** Section 59(e)(2) expenditures  
**K** Deductions — portfolio (2% floor)  
**L** Deductions — portfolio (other)  
**M** Amounts paid for medical insurance  
**N** Educational assistance benefits  
**O** Dependent care benefits  
**P** Preproductive period expenses  
**Q** Commercial revitalization deduction from rental real estate activities  
**R** Pensions and IRAs  
**S** Reforestation expense deduction  
**T** Domestic production activities information  
**U** Qualified production activities income  
**V** Employer's W-2 wages  
**W** Other deductions
- 14 Self-employment earnings (loss)**  
**Note.** If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.
- A** Net earnings (loss) from self-employment  
**B** Gross farming or fishing income  
**C** Gross non-farm income
- 15 Credits**
- A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings  
**B** Low-income housing credit (other) from pre-2008 buildings  
**C** Low-income housing credit (section 42(j)(5)) from post-2007 buildings  
**D** Low-income housing credit (other) from post-2007 buildings  
**E** Qualified rehabilitation expenditures (rental real estate)  
**F** Other rental real estate credits  
**G** Other rental credits  
**H** Undistributed capital gains credit  
**I** Alcohol and cellulosic biofuel fuels credit

**Report on**

See the Partner's Instructions  
Schedule E, line 28, column (g)  
Schedule E, line 28, column (h)  
Schedule E, line 28, column (i)  
See the Partner's Instructions

Schedule E, line 28, column (g)  
See the Partner's Instructions  
Schedule E, line 28, column (i)  
Form 1040, line 8a  
Form 1040, line 9a  
Form 1040, line 9b  
Schedule E, line 4  
Schedule D, line 5, column (f)  
Schedule D, line 12, column (f)  
28% Rate Gain Worksheet, line 4 (Schedule D Instructions)  
See the Partner's Instructions  
See the Partner's Instructions

See the Partner's Instructions  
See the Partner's Instructions  
Form 6781, line 1  
See Pub 535  
Form 1040, line 21 or Form 982  
See the Partner's Instructions  
See the Partner's Instructions

See the Partner's Instructions

Form 4952, line 1  
Schedule E, line 18  
See the Partner's Instructions  
Schedule A, line 23  
Schedule A, line 28  
Schedule A, line 1 or Form 1040, line 29  
See the Partner's Instructions  
Form 2441, line 14  
See the Partner's Instructions  
See Form 8582 Instructions  
See the Partner's Instructions  
See Form 8903 Instructions  
Form 8903, line 7  
Form 8903, line 15  
See the Partner's Instructions

Schedule SE, Section A or B  
See the Partner's Instructions  
See the Partner's Instructions

See the Partner's Instructions  
See the Partner's Instructions  
Form 8586, line 11  
Form 8586, line 11

See the Partner's Instructions  
Form 1040, line 68; check box a  
Form 6478, line 9

**Code**

- J** Work opportunity credit  
**K** Disabled access credit  
**L** Empowerment zone and renewal community employment credit  
**M** Credit for increasing research activities  
**N** Credit for employer social security and Medicare taxes  
**O** Backup withholding  
**P** Other credits

**16 Foreign transactions**

- A** Name of country or U.S. possession  
**B** Gross income from all sources  
**C** Gross income sourced at partner level  
**Foreign gross income sourced at partnership level**  
**D** Passive category  
**E** General category  
**F** Other  
**Deductions allocated and apportioned at partner level**  
**G** Interest expense  
**H** Other  
**Deductions allocated and apportioned at partnership level to foreign source income**  
**I** Passive category  
**J** General category  
**K** Other

**Other information**

- L** Total foreign taxes paid  
**M** Total foreign taxes accrued  
**N** Reduction in taxes available for credit  
**O** Foreign trading gross receipts  
**P** Extraterritorial income exclusion  
**Q** Other foreign transactions

**17 Alternative minimum tax (AMT) items**

- A** Post-1986 depreciation adjustment  
**B** Adjusted gain or loss  
**C** Depletion (other than oil & gas)  
**D** Oil, gas, & geothermal — gross income  
**E** Oil, gas, & geothermal — deductions  
**F** Other AMT items

**18 Tax-exempt income and nondeductible expenses**

- A** Tax-exempt interest income  
**B** Other tax-exempt income  
**C** Nondeductible expenses

**19 Distributions**

- A** Cash and marketable securities  
**B** Other property  
**C** Distribution subject to section 737

**20 Other information**

- A** Investment income  
**B** Investment expenses  
**C** Fuel tax credit information  
**D** Qualified rehabilitation expenditures (other than rental real estate)  
**E** Basis of energy property  
**F** Recapture of low-income housing credit (section 42(j)(5))  
**G** Recapture of low-income housing credit (other)  
**H** Recapture of investment credit  
**I** Recapture of other credits  
**J** Look-back interest — completed long-term contracts  
**K** Look-back interest — income forecast method  
**L** Dispositions of property with section 179 deductions  
**M** Recapture of section 179 deduction  
**N** Interest expense for corporate partners  
**O** Section 453(i)(3) information  
**P** Section 453A(c) information  
**Q** Section 1260(b) information  
**R** Interest allocable to production expenditures  
**S** CCF nonqualified withdrawals  
**T** Depletion information — oil and gas  
**U** Amortization of reforestation costs  
**V** Unrelated business taxable income  
**W** Precontribution gain (loss)  
**X** Other information

**Report on**

Form 5884, line 3  
See the Partner's Instructions  
Form 8844, line 3  
See the Partner's Instructions  
Form 8846, line 5  
Form 1040, line 62  
See the Partner's Instructions

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part I

Form 1116, Part II

Form 1116, Part II

Form 1116, line 12

Form 8873

Form 8873

See the Partner's Instructions

See the Partner's Instructions and the instructions for Form 6251

Form 1040, line 8b

See the Partner's Instructions

See the Partner's Instructions

See Partner's Instructions

Form 4952, line 4a

Form 4952, line 5

Form 4136

See the Partner's Instructions

See the Partner's Instructions

Form 8611, line 8

Form 8611, line 8

Form 4255

See the Partner's Instructions

See Form 8597

See Form 8866

See the Partner's Instructions

651108

OMB No. 1545-0099

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2008**

For calendar year 2008, or tax

year beginning \_\_\_\_\_, 2008

ending \_\_\_\_\_, 2008

**Partner's Share of Income, Deductions, Credits, etc.** ▶ See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
**26-1599882**

**B** Partnership's name, address, city, state, and ZIP code  
**MC-CDC San Angelo, Ltd.**  
**1800 S. Washington, Suite 309**  
**Amarillo, TX 79102**

**C** IRS Center where partnership filed return  
**Ogden, UT**

**D** ☐ Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
**75-0330569**

**F** Partner's name, address, city, state, and ZIP code  
**Herring Bank**  
**2201 Civic Circle**  
**Amarillo, TX 79109**

**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

**H** ☒ Domestic partner ☐ Foreign partner

**I** What type of entity is this partner? **Nominee-C**

**J** Partner's share of profit, loss, and capital (see instructions):

|         | Beginning  | Ending    |
|---------|------------|-----------|
| Profit  | 99.99000 % | 0.00000 % |
| Loss    | 99.99000 % | 0.00000 % |
| Capital | 99.99000 % | 0.00000 % |

**K** Partner's share of liabilities at year end:

Nonrecourse ..... \$

Qualified nonrecourse financing ..... \$ **0.**

Recourse ..... \$

**L** Partner's capital account analysis:

Beginning capital account ..... \$ **0.**

Capital contributed during the year ..... \$ **1,119,033.**

Current year increase (decrease) ..... \$ **-1,119,033.**

Withdrawals and distributions ..... \$

Ending capital account ..... \$ **0.**

☒ Tax basis ☐ GAAP ☐ Section 704(b) book

☐ Other (explain) \_\_\_\_\_

☒ Final K-1

☐ Amended K-1

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

|    |                                      |    |                                              |
|----|--------------------------------------|----|----------------------------------------------|
| 1  | Ordinary business income (loss)      | 15 | Credits                                      |
|    | <b>-178.</b>                         |    |                                              |
| 2  | Net rental real estate income (loss) |    |                                              |
| 3  | Other net rental income (loss)       | 16 | Foreign transactions                         |
| 4  | Guaranteed payments                  |    |                                              |
| 5  | Interest income                      |    |                                              |
| 6a | Ordinary dividends                   |    |                                              |
| 6b | Qualified dividends                  |    |                                              |
| 7  | Royalties                            |    |                                              |
| 8  | Net short-term capital gain (loss)   |    |                                              |
| 9a | Net long-term capital gain (loss)    | 17 | Alternative minimum tax (AMT) items          |
|    | <b>1,428,440.</b>                    |    |                                              |
| 9b | Collectibles (28%) gain (loss)       |    |                                              |
| 9c | Unrecaptured section 1250 gain       |    |                                              |
| 10 | Net section 1231 gain (loss)         | 18 | Tax-exempt income and nondeductible expenses |
| 11 | Other income (loss)                  |    |                                              |
|    |                                      |    |                                              |
|    |                                      | 19 | Distributions                                |
| 12 | Section 179 deduction                |    |                                              |
| 13 | Other deductions                     | 20 | Other information                            |
|    | <b>2,547,295.</b>                    |    |                                              |
| 14 | Self-employment earnings (loss)      |    |                                              |

\*See attached statement for additional information.

FOR IRS USE ONLY

Schedule K-1 (Form 1065) 2008

PTPA0312 12/15/08

Schedule K-1 (Form 1065) 2008 **Herring Bank**

26-1599882

Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

|                                                                                                                                                 |                                                           | Code                                                                                      | Report on                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| <b>1 Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.     |                                                           |                                                                                           |                                                                   |
| Passive loss                                                                                                                                    | See the Partner's Instructions                            | <b>J</b> Work opportunity credit                                                          | Form 5884, line 3                                                 |
| Passive income                                                                                                                                  | Schedule E, line 28, column (g)                           | <b>K</b> Disabled access credit                                                           | See the Partner's Instructions                                    |
| Nonpassive loss                                                                                                                                 | Schedule E, line 28, column (h)                           | <b>L</b> Empowerment zone and renewal community employment credit                         | Form 8844, line 3                                                 |
| Nonpassive income                                                                                                                               | Schedule E, line 28, column (i)                           | <b>M</b> Credit for increasing research activities                                        | See the Partner's Instructions                                    |
| <b>2 Net rental real estate income (loss)</b>                                                                                                   | See the Partner's Instructions                            | <b>N</b> Credit for employer social security and Medicare taxes                           | Form 8846, line 5                                                 |
| <b>3 Other net rental income (loss)</b>                                                                                                         |                                                           | <b>O</b> Backup withholding                                                               | Form 1040, line 62                                                |
| Net income                                                                                                                                      | Schedule E, line 28, column (g)                           | <b>P</b> Other credits                                                                    | See the Partner's Instructions                                    |
| Net loss                                                                                                                                        | See the Partner's Instructions                            |                                                                                           |                                                                   |
| <b>4 Guaranteed payments</b>                                                                                                                    | Schedule E, line 28, column (i)                           | <b>16 Foreign transactions</b>                                                            |                                                                   |
| <b>5 Interest income</b>                                                                                                                        | Form 1040, line 8a                                        | <b>A</b> Name of country or U.S. possession                                               | Form 1116, Part I                                                 |
| <b>6a Ordinary dividends</b>                                                                                                                    | Form 1040, line 9a                                        | <b>B</b> Gross income from all sources                                                    |                                                                   |
| <b>6b Qualified dividends</b>                                                                                                                   | Form 1040, line 9b                                        | <b>C</b> Gross income sourced at partner level                                            |                                                                   |
| <b>7 Royalties</b>                                                                                                                              | Schedule E, line 4                                        | <b>Foreign gross income sourced at partnership level</b>                                  |                                                                   |
| <b>8 Net short-term capital gain (loss)</b>                                                                                                     | Schedule D, line 5, column (f)                            | <b>D</b> Passive category                                                                 | Form 1116, Part I                                                 |
| <b>9a Net long-term capital gain (loss)</b>                                                                                                     | Schedule D, line 12, column (f)                           | <b>E</b> General category                                                                 |                                                                   |
| <b>9b Collectibles (28%) gain (loss)</b>                                                                                                        | 28% Rate Gain Worksheet, line 4 (Schedule D Instructions) | <b>F</b> Other                                                                            |                                                                   |
| <b>9c Unrecaptured section 1250 gain</b>                                                                                                        | See the Partner's Instructions                            | <b>Deductions allocated and apportioned at partner level</b>                              |                                                                   |
| <b>10 Net section 1231 gain (loss)</b>                                                                                                          | See the Partner's Instructions                            | <b>G</b> Interest expense                                                                 | Form 1116, Part I                                                 |
| <b>11 Other income (loss)</b>                                                                                                                   |                                                           | <b>H</b> Other                                                                            | Form 1116, Part I                                                 |
| <b>Code</b>                                                                                                                                     |                                                           | <b>Deductions allocated and apportioned at partnership level to foreign source income</b> |                                                                   |
| <b>A</b> Other portfolio income (loss)                                                                                                          | See the Partner's Instructions                            | <b>I</b> Passive category                                                                 | Form 1116, Part I                                                 |
| <b>B</b> Involuntary conversions                                                                                                                | See the Partner's Instructions                            | <b>J</b> General category                                                                 |                                                                   |
| <b>C</b> Section 1256 contracts and straddles                                                                                                   | Form 6781, line 1                                         | <b>K</b> Other                                                                            |                                                                   |
| <b>D</b> Mining exploration costs recapture                                                                                                     | See Pub 535                                               | <b>Other information</b>                                                                  |                                                                   |
| <b>E</b> Cancellation of debt                                                                                                                   | Form 1040, line 21 or Form 982                            | <b>L</b> Total foreign taxes paid                                                         | Form 1116, Part II                                                |
| <b>F</b> Other income (loss)                                                                                                                    | See the Partner's Instructions                            | <b>M</b> Total foreign taxes accrued                                                      | Form 1116, Part II                                                |
| <b>12 Section 179 deduction</b>                                                                                                                 | See the Partner's Instructions                            | <b>N</b> Reduction in taxes available for credit                                          | Form 1116, line 12                                                |
| <b>13 Other deductions</b>                                                                                                                      |                                                           | <b>O</b> Foreign trading gross receipts                                                   | Form 8873                                                         |
| <b>A</b> Cash contributions (50%)                                                                                                               | See the Partner's Instructions                            | <b>P</b> Extraterritorial income exclusion                                                | Form 8873                                                         |
| <b>B</b> Cash contributions (30%)                                                                                                               |                                                           | <b>Q</b> Other foreign transactions                                                       | See the Partner's Instructions                                    |
| <b>C</b> Noncash contributions (50%)                                                                                                            |                                                           | <b>17 Alternative minimum tax (AMT) items</b>                                             |                                                                   |
| <b>D</b> Noncash contributions (30%)                                                                                                            |                                                           | <b>A</b> Post-1986 depreciation adjustment                                                | See the Partner's Instructions and the Instructions for Form 6251 |
| <b>E</b> Capital gain property to a 50% organization (30%)                                                                                      |                                                           | <b>B</b> Adjusted gain or loss                                                            |                                                                   |
| <b>F</b> Capital gain property (20%)                                                                                                            |                                                           | <b>C</b> Depletion (other than oil & gas)                                                 |                                                                   |
| <b>G</b> Contributions (100%)                                                                                                                   |                                                           | <b>D</b> Oil, gas, & geothermal — gross income                                            |                                                                   |
| <b>H</b> Investment interest expense                                                                                                            | Form 4952, line 1                                         | <b>E</b> Oil, gas, & geothermal — deductions                                              |                                                                   |
| <b>I</b> Deductions — royalty income                                                                                                            | Schedule E, line 18                                       | <b>F</b> Other AMT items                                                                  |                                                                   |
| <b>J</b> Section 59(e)(2) expenditures                                                                                                          | See the Partner's Instructions                            | <b>18 Tax-exempt income and nondeductible expenses</b>                                    |                                                                   |
| <b>K</b> Deductions — portfolio (2% floor)                                                                                                      | Schedule A, line 23                                       | <b>A</b> Tax-exempt interest income                                                       | Form 1040, line 8b                                                |
| <b>L</b> Deductions — portfolio (other)                                                                                                         | Schedule A, line 28                                       | <b>B</b> Other tax-exempt income                                                          | See the Partner's Instructions                                    |
| <b>M</b> Amounts paid for medical insurance                                                                                                     | Schedule A, line 1 or Form 1040, line 29                  | <b>C</b> Nondeductible expenses                                                           | See the Partner's Instructions                                    |
| <b>N</b> Educational assistance benefits                                                                                                        | See the Partner's Instructions                            | <b>19 Distributions</b>                                                                   |                                                                   |
| <b>O</b> Dependent care benefits                                                                                                                | Form 2441, line 14                                        | <b>A</b> Cash and marketable securities                                                   | See Partner's Instructions                                        |
| <b>P</b> Preproductive period expenses                                                                                                          | See the Partner's Instructions                            | <b>B</b> Other property                                                                   |                                                                   |
| <b>Q</b> Commercial revitalization deduction from rental real estate activities                                                                 | See Form 8582 Instructions                                | <b>C</b> Distribution subject to section 737                                              |                                                                   |
| <b>R</b> Pensions and IRAs                                                                                                                      | See the Partner's Instructions                            | <b>20 Other information</b>                                                               |                                                                   |
| <b>S</b> Reforestation expense deduction                                                                                                        | See the Partner's Instructions                            | <b>A</b> Investment income                                                                | Form 4952, line 4a                                                |
| <b>T</b> Domestic production activities information                                                                                             | See Form 8903 Instructions                                | <b>B</b> Investment expenses                                                              | Form 4952, line 5                                                 |
| <b>U</b> Qualified production activities income                                                                                                 | Form 8903, line 7                                         | <b>C</b> Fuel tax credit information                                                      | Form 4136                                                         |
| <b>V</b> Employer's W-2 wages                                                                                                                   | Form 8903, line 15                                        | <b>D</b> Qualified rehabilitation expenditures (other than rental real estate)            | See the Partner's Instructions                                    |
| <b>W</b> Other deductions                                                                                                                       | See the Partner's Instructions                            | <b>E</b> Basis of energy property                                                         | See the Partner's Instructions                                    |
| <b>14 Self-employment earnings (loss)</b>                                                                                                       |                                                           | <b>F</b> Recapture of low-income housing credit (section 42(j)(5))                        | Form 8611, line 8                                                 |
| <b>Note.</b> If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE. |                                                           | <b>G</b> Recapture of low-income housing credit (other)                                   | Form 8611, line 8                                                 |
| <b>A</b> Net earnings (loss) from self-employment                                                                                               | Schedule SE, Section A or B                               | <b>H</b> Recapture of investment credit                                                   | Form 4255                                                         |
| <b>B</b> Gross farming or fishing income                                                                                                        | See the Partner's Instructions                            | <b>I</b> Recapture of other credits                                                       | See the Partner's Instructions                                    |
| <b>C</b> Gross non-farm income                                                                                                                  | See the Partner's Instructions                            | <b>J</b> Look-back interest — completed long-term contracts                               | See Form 8697                                                     |
| <b>15 Credits</b>                                                                                                                               |                                                           | <b>K</b> Look-back interest — income forecast method                                      | See Form 8866                                                     |
| <b>A</b> Low-income housing credit (section 42(j)(5)) from pre-2008 buildings                                                                   | See the Partner's Instructions                            | <b>L</b> Dispositions of property with section 179 deductions                             | See the Partner's Instructions                                    |
| <b>B</b> Low-income housing credit (other) from pre-2008 buildings                                                                              | See the Partner's Instructions                            | <b>M</b> Recapture of section 179 deduction                                               |                                                                   |
| <b>C</b> Low-income housing credit (section 42(j)(5)) from post-2007 buildings                                                                  | Form 8586, line 11                                        | <b>N</b> Interest expense for corporate partners                                          |                                                                   |
| <b>D</b> Low-income housing credit (other) from post-2007 buildings                                                                             | Form 8586, line 11                                        | <b>O</b> Section 453(f)(3) information                                                    |                                                                   |
| <b>E</b> Qualified rehabilitation expenditures (rental real estate)                                                                             | See the Partner's Instructions                            | <b>P</b> Section 453A(c) information                                                      |                                                                   |
| <b>F</b> Other rental real estate credits                                                                                                       |                                                           | <b>Q</b> Section 1260(b) information                                                      |                                                                   |
| <b>G</b> Other rental credits                                                                                                                   |                                                           | <b>R</b> Interest allocable to production expenditures                                    |                                                                   |
| <b>H</b> Undistributed capital gains credit                                                                                                     | Form 1040, line 68; check box 4                           | <b>S</b> CCF nonqualified withdrawals                                                     |                                                                   |
| <b>I</b> Alcohol and cellulosic biofuel fuels credit                                                                                            | Form 6478, line 9                                         | <b>T</b> Depletion information — oil and gas                                              |                                                                   |
|                                                                                                                                                 |                                                           | <b>U</b> Amortization of reforestation costs                                              |                                                                   |
|                                                                                                                                                 |                                                           | <b>V</b> Unrelated business taxable income                                                |                                                                   |
|                                                                                                                                                 |                                                           | <b>W</b> Precontribution gain (loss)                                                      |                                                                   |
|                                                                                                                                                 |                                                           | <b>X</b> Other information                                                                |                                                                   |

## Exhibit C



**Fidelity National Title  
INSURANCE COMPANY**

3811 Turtle Creek Blvd. Suite 160  
Dallas, TX 75218  
(214) 252-0750 • FAX (214) 252-0748

**SETTLEMENT STATEMENT**  
**CLOSING DATE: December 31, 2007**  
**GF #: 07-03000749-30-DM**

**DATE:** December 31, 2007  
**PROPERTY:** 333 RIO CONCHO DRIVE, SAN ANGELO, TX  
**SELLER(S):** HERRING BANK  
**BUYER(S):** MCCDC-SA, LLC

**FINAL SELLER'S STATEMENT**

**CHARGES TO SELLER**

|                                                                |                 |
|----------------------------------------------------------------|-----------------|
| SURETY TITLE COMPANY 40.00% of Net                             |                 |
| Simultaneous with Mortgage Policy for 3,250,000.00 to Fidelity | \$ 15,627.00    |
| National Title Agency                                          |                 |
| Tax Certificate to - National Tax Net                          | \$ 41.95        |
| State of Texas Guaranty Fee (Owners)                           | \$ 1.00         |
| Settlement or Closing Fee to Fidelity National Title Agency    | \$ 400.00       |
| Express Mail to Fidelity National Title Agency                 | \$ 45.00        |
| Listing Brokers Commission to The Mullon Company 0.00%         | \$ 130,000.00   |
| Herring Bank Loan to Purchaser                                 | \$ 2,750,000.00 |

**TOTAL CHARGES** ..... \$ **2,896,014.95**

**CREDITS TO SELLER**

|                                                                        |                 |
|------------------------------------------------------------------------|-----------------|
| Purchase Price                                                         | \$ 3,250,000.00 |
| Prepaid County Taxes at \$64,854.01 Annually from 12/31/07 to 01/01/08 | \$ 177.71       |

**TOTAL CREDITS** ..... \$ **3,250,177.71**

**TOTAL AMOUNT DUE SELLER** ..... \$ **354,162.76**

Date: December 31, 2007  
Escrow No: 07-03000749-30-DM

Page 2

Seller understands the Closing of Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or Lender involved may be furnished a copy of this Statement.

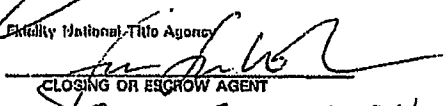
Seller understands that tax and insurance provisions and reserves were based on figures for the preceding year or supplied by others, or estimated for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The Undersigned hereby authorizes Fidelity National Title Agency to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

HEIRING BANK, a Texas corporation

BY: 

Fidelity National Title Agency

  
CLOSING OR ESCROW AGENT

Susan Smith West  
SVP, Escrow office

## Exhibit D

**Michelle Abdoo**

---

**From:** Michelle Abdoo  
**Sent:** Tuesday, May 12, 2009 3:07 PM  
**To:** Steve "Sterk" Sterquell  
**Subject:** FW: missing check

---

Michelle Abdoo  
Controller  
American Housing Foundation  
1800 S. Washington, Suite 311  
Amarillo, TX 79102  
806-372-7500 ext. 211

---

**From:** Steve Sterquell  
**Sent:** Wednesday, September 24, 2008 2:48 PM  
**To:** Michelle Abdoo; Elan Bacigalupi  
**Subject:** RE: missing check

Elan:

According to our records Mr. Burgess's accounts are as follows;

2006 LIHTC Community Development No. 1, Ltd. Invested \$90,000 plus stock and was repaid \$93,195.60 plus stock. This investment is closed.

2007 GOZ No. 3, Ltd., invested \$90,000 plus stock and was repaid \$106,066.15 plus stock. This investment is closed.

2007 LIHTC Community Development No. 3, Ltd. invested \$112,500 and a loan of \$90,000. This loan matures December 31, 2009. This investment is the depreciation that produces an ordinary loss for Herring Financial Services, Chain C, and the investors. AHF would like discuss restructuring this investment and paying the loan in January of 2009. There was change in the law on July 2008 (HR 3221) that allows individuals and small corporations to exchange the rapid depreciation for a refundable tax credit. These entities can also utilize low income housing tax credits to offset alternative tax. This was not previously allowed and will produce greater returns. This investment is long term and will continue after the original investment is returned.

In 2006 AHF borrowed \$400,000 from Mr. Burgess to buy the motel in San Angelo. That loan matures in December 28<sup>th</sup>, 2008. I need to know if Mr. Burgess wants the interest income in 2008 or the first week of 2009. We are planning on 2008.

If Mr. Burgess's records do not correspond let me know. I will adjust accordingly.

Thank you,  
Steve

---

**From:** Michelle Abdoo

5/20/2009

**CONFIDENTIAL**

**Sterqfam A 20289**



## Exhibit E

|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Form 1065</b><br>Department of the Treasury<br>Internal Revenue Service                                                                                                                                                                                                                                                                                                |                                                                                           | <b>U.S. Return of Partnership Income</b><br>For calendar year 2007, or tax year beginning _____, 2007,<br>ending _____, 20____.<br>▶ See separate instructions.        |     | OMB No. 1545-0099<br><b>2007</b>                                                                                                                |     |
| <b>A</b> Principal business activity<br><br><b>Real Estate</b>                                                                                                                                                                                                                                                                                                            |                                                                                           | <b>Name of partnership</b><br>MCCDC-SA, LLC                                                                                                                            |     | <b>D</b> Employer identification number<br>26-1599951                                                                                           |     |
| <b>B</b> Principal product or service<br><b>Affordable Housing</b>                                                                                                                                                                                                                                                                                                        |                                                                                           | <b>Use the IRS label. Otherwise, print or type.</b><br>Number, street, and room or suite number. If a P.O. box, see the instructions.<br>1800 S. Washington, Suite 311 |     | <b>E</b> Date business started<br>12/18/07                                                                                                      |     |
| <b>C</b> Business code number<br>531110                                                                                                                                                                                                                                                                                                                                   |                                                                                           | City or town<br>Amarillo                                                                                                                                               |     | <b>F</b> Total assets (see Instrs)<br>\$ 5,800,178.                                                                                             |     |
|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | State ZIP code<br>TX 79102                                                                                                                                             |     |                                                                                                                                                 |     |
| <b>G</b> Check applicable boxes: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return                                                                                                        |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>H</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____                                                                                                                                                                                                    |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>I</b> Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ..... 1                                                                                                                                                                                                                                                    |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>J</b> Check if Schedule M-3 attached ..... <input type="checkbox"/>                                                                                                                                                                                                                                                                                                    |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>Caution.</b> Include <i>only</i> trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.                                                                                                                                                                                                                        |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>I<br/>N<br/>C<br/>O<br/>M<br/>E</b>                                                                                                                                                                                                                                                                                                                                    | 1a Gross receipts or sales                                                                |                                                                                                                                                                        | 1a  |                                                                                                                                                 | 1c  |
|                                                                                                                                                                                                                                                                                                                                                                           | b Less returns and allowances                                                             |                                                                                                                                                                        | 1b  |                                                                                                                                                 |     |
|                                                                                                                                                                                                                                                                                                                                                                           | 2 Cost of goods sold (Schedule A, line 8)                                                 |                                                                                                                                                                        |     |                                                                                                                                                 | 2   |
|                                                                                                                                                                                                                                                                                                                                                                           | 3 Gross profit. Subtract line 2 from line 1c                                              |                                                                                                                                                                        |     |                                                                                                                                                 | 3   |
|                                                                                                                                                                                                                                                                                                                                                                           | 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)  |                                                                                                                                                                        |     |                                                                                                                                                 | 4   |
|                                                                                                                                                                                                                                                                                                                                                                           | 5 Net farm profit (loss) (attach Schedule F (Form 1040))                                  |                                                                                                                                                                        |     |                                                                                                                                                 | 5   |
|                                                                                                                                                                                                                                                                                                                                                                           | 6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)                     |                                                                                                                                                                        |     |                                                                                                                                                 | 6   |
|                                                                                                                                                                                                                                                                                                                                                                           | 7 Other income (loss) (attach statement)                                                  |                                                                                                                                                                        |     |                                                                                                                                                 | 7   |
| 8 Total income (loss). Combine lines 3 through 7                                                                                                                                                                                                                                                                                                                          |                                                                                           |                                                                                                                                                                        |     | 8                                                                                                                                               |     |
| <b>S<br/>E<br/>E<br/><br/>I<br/>N<br/>S<br/>T<br/>R<br/>U<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S<br/><br/>F<br/>O<br/>R<br/><br/>D<br/>E<br/>D<br/>U<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S<br/><br/>F<br/>O<br/>R<br/><br/>L<br/>I<br/>M<br/>I<br/>T<br/>A<br/>T<br/>I<br/>O<br/>N<br/>S</b>                                                                                   | 9 Salaries and wages (other than to partners) (less employment credits)                   |                                                                                                                                                                        |     |                                                                                                                                                 | 9   |
|                                                                                                                                                                                                                                                                                                                                                                           | 10 Guaranteed payments to partners                                                        |                                                                                                                                                                        |     |                                                                                                                                                 | 10  |
|                                                                                                                                                                                                                                                                                                                                                                           | 11 Repairs and maintenance                                                                |                                                                                                                                                                        |     |                                                                                                                                                 | 11  |
|                                                                                                                                                                                                                                                                                                                                                                           | 12 Bad debts                                                                              |                                                                                                                                                                        |     |                                                                                                                                                 | 12  |
|                                                                                                                                                                                                                                                                                                                                                                           | 13 Rent                                                                                   |                                                                                                                                                                        |     |                                                                                                                                                 | 13  |
|                                                                                                                                                                                                                                                                                                                                                                           | 14 Taxes and licenses                                                                     |                                                                                                                                                                        |     |                                                                                                                                                 | 14  |
|                                                                                                                                                                                                                                                                                                                                                                           | 15 Interest                                                                               |                                                                                                                                                                        |     |                                                                                                                                                 | 15  |
|                                                                                                                                                                                                                                                                                                                                                                           | 16a Depreciation (if required, attach Form 4562)                                          |                                                                                                                                                                        | 16a |                                                                                                                                                 |     |
|                                                                                                                                                                                                                                                                                                                                                                           | b Less depreciation reported on Schedule A and elsewhere on return                        |                                                                                                                                                                        | 16b |                                                                                                                                                 | 16c |
|                                                                                                                                                                                                                                                                                                                                                                           | 17 Depletion (Do not deduct oil and gas depletion.)                                       |                                                                                                                                                                        |     |                                                                                                                                                 | 17  |
|                                                                                                                                                                                                                                                                                                                                                                           | 18 Retirement plans, etc                                                                  |                                                                                                                                                                        |     |                                                                                                                                                 | 18  |
|                                                                                                                                                                                                                                                                                                                                                                           | 19 Employee benefit programs                                                              |                                                                                                                                                                        |     |                                                                                                                                                 | 19  |
|                                                                                                                                                                                                                                                                                                                                                                           | 20 Other deductions (attach statement)                                                    |                                                                                                                                                                        |     |                                                                                                                                                 | 20  |
|                                                                                                                                                                                                                                                                                                                                                                           | 21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 |                                                                                                                                                                        |     |                                                                                                                                                 | 21  |
| 22 Ordinary business income (loss). Subtract line 21 from line 8                                                                                                                                                                                                                                                                                                          |                                                                                           |                                                                                                                                                                        |     | 22                                                                                                                                              |     |
| Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge. |                                                                                           |                                                                                                                                                                        |     |                                                                                                                                                 |     |
| <b>Sign Here</b>                                                                                                                                                                                                                                                                                                                                                          |                                                                                           | Signature of general partner or limited liability company member manager                                                                                               |     | Date                                                                                                                                            |     |
|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           |                                                                                                                                                                        |     | May the IRS discuss this return with the preparer shown below (see Instrs)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |     |
| <b>Paid Preparer's Use Only</b>                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Preparer's signature                                                                                                                                                   |     | Date<br>03/11/08                                                                                                                                |     |
|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           | Firm's name (or yours if self-employed), address, and ZIP code<br>STERQUELL, HILL & GOELZER, LLP<br>1800 S WASHINGTON ST STE 311<br>AMARILLO TX 79102-2668             |     | Preparer's SSN or PTIN<br>P00314917                                                                                                             |     |
|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           |                                                                                                                                                                        |     | Check if self-employed <input type="checkbox"/>                                                                                                 |     |
|                                                                                                                                                                                                                                                                                                                                                                           |                                                                                           |                                                                                                                                                                        |     | EIN ▶ 75-2705504<br>Phone no. (806) 372-7522                                                                                                    |     |

Form 1065 (2007) MCCDC-SA, LLC

26-1599951

Page 2

**Schedule A Cost of Goods Sold (see the instructions)**

|                                                                                           |   |  |
|-------------------------------------------------------------------------------------------|---|--|
| 1 Inventory at beginning of year .....                                                    | 1 |  |
| 2 Purchases less cost of items withdrawn for personal use .....                           | 2 |  |
| 3 Cost of labor .....                                                                     | 3 |  |
| 4 Additional section 263A costs<br>(attach statement) .....                               | 4 |  |
| 5 Other costs<br>(attach statement) .....                                                 | 5 |  |
| 6 Total. Add lines 1 through 5 .....                                                      | 6 |  |
| 7 Inventory at end of year .....                                                          | 7 |  |
| 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 ..... | 8 |  |

**9a Check all methods used for valuing closing inventory:**

- (i) ☐ Cost as described in Regulations section 1.471-3  
 (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
 (iii) ☐ Other (specify method used and attach explanation) .....

- b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) ..... ☐ Yes ☐ No  
 c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ..... ☐ Yes ☐ No  
 d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ..... ☐ Yes ☐ No  
 e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ..... ☐ Yes ☐ No  
 If 'Yes', attach explanation .

**Schedule B Other Information**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Yes | No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1 What type of entity is filing this return? Check the applicable box:<br>a <input type="checkbox"/> Domestic general partnership      b <input type="checkbox"/> Domestic limited partnership<br>c <input type="checkbox"/> Domestic limited liability company      d <input type="checkbox"/> Domestic limited liability partnership<br>e <input type="checkbox"/> Foreign partnership      f <input checked="" type="checkbox"/> Other ... <u>Disregarded Entity</u>                                                                                        |     |    |
| 2 Are any partners in this partnership also partnerships? .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | X   |    |
| 3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' see instructions for required attachment .....                                                                                                                                                                                                                                                             |     | X  |
| 4 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details .....                                                                                                                                                                                                                                                                                                     |     | X  |
| 5 Does this partnership meet all three of the following requirements?<br>a The partnership's total receipts for the tax year were less than \$250,000;<br>b The partnership's total assets at the end of the tax year were less than \$600,000; and<br>c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.<br>If 'Yes,' the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1 ..... |     | X  |
| 6 Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See the instructions .....                                                                                                                                                                                                                                                                                                                                                                                                            |     | X  |
| 7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)? .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |     | X  |
| 8 Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? .....                                                                                                                                                                                                                                                                                                                                                                                                               |     | X  |
| 9 At any time during calendar year 2007, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country. ...                                                                                                                                                                             |     | X  |
| 10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the partnership may have to file Form 3520. See the instructions .....                                                                                                                                                                                                                                                                                                                                         |     | X  |
| 11 Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under <i>Elections Made By the Partnership</i> in the instructions .....                                                                                                                                                                                                                   |     | X  |
| 12 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return .....                                                                                                                                                                                                                                                                                                                                                                                                                          |     |    |

**Designation of Tax Matters Partner (see the instructions)**

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ► MC-CDC San Angelo, Ltd.

Identifying number of TMP ► 26-1599882

Address of designated TMP ► 1800 S. Washington, Suite 311  
Amarillo, TX 79102

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| Form 1065 (2007) MCCDC-SA, LLC                |                                                                                                     | 26-1599951 | Page 3       |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------|------------|--------------|
| Schedule K Partners' Distributive Share Items |                                                                                                     |            | Total amount |
| Income (Loss)                                 | 1 Ordinary business income (loss) (page 1, line 22)                                                 | 1          |              |
|                                               | 2 Net rental real estate income (loss) (attach Form 8825)                                           | 2          |              |
|                                               | 3a Other gross rental income (loss)                                                                 | 3a         |              |
|                                               | b Expenses from other rental activities (attach stmt)                                               | 3b         |              |
|                                               | c Other net rental income (loss). Subtract line 3b from line 3a                                     | 3c         |              |
|                                               | 4 Guaranteed payments                                                                               | 4          |              |
|                                               | 5 Interest income                                                                                   | 5          |              |
|                                               | 6 Dividends: a Ordinary dividends                                                                   | 6a         |              |
|                                               | b Qualified dividends                                                                               | 6b         |              |
|                                               | 7 Royalties                                                                                         | 7          |              |
|                                               | 8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))                                | 8          |              |
| Income (Loss)                                 | 9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))                                | 9a         |              |
|                                               | b Collectibles (28%) gain (loss)                                                                    | 9b         |              |
|                                               | c Unrecaptured section 1250 gain (attach statement)                                                 | 9c         |              |
|                                               | 10 Net section 1231 gain (loss) (attach Form 4797)                                                  | 10         |              |
|                                               | 11 Other income (loss) (see instructions) Type ▶                                                    | 11         |              |
| Deductions                                    | 12 Section 179 deduction (attach Form 4562)                                                         | 12         |              |
|                                               | 13a Contributions                                                                                   | 13a        |              |
|                                               | b Investment interest expense                                                                       | 13b        |              |
|                                               | c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶                                            | 13c (2)    |              |
| Self-Employment                               | d Other deductions (see instructions) Type ▶                                                        | 13d        |              |
|                                               | 14a Net earnings (loss) from self-employment                                                        | 14a        |              |
|                                               | b Gross farming or fishing income                                                                   | 14b        |              |
| Credits                                       | c Gross nonfarm income                                                                              | 14c        |              |
|                                               | 15a Low-income housing credit (section 42(j)(5))                                                    | 15a        |              |
|                                               | b Low-income housing credit (other)                                                                 | 15b        |              |
|                                               | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)                     | 15c        |              |
|                                               | d Other rental real estate credits (see instructions) Type ▶                                        | 15d        |              |
|                                               | e Other rental credits (see instructions) Type ▶                                                    | 15e        |              |
| Foreign Transactions                          | f Other credits (see instructions) Type ▶                                                           | 15f        |              |
|                                               | 16a Name of country or U.S. possession                                                              | 16a        |              |
|                                               | b Gross income from all sources                                                                     | 16b        |              |
|                                               | c Gross income sourced at partner level                                                             | 16c        |              |
|                                               | Foreign gross income sourced at partnership level                                                   |            |              |
|                                               | d Passive category ▶ e General category ▶ f Other ▶                                                 | 16f        |              |
|                                               | Deductions allocated and apportioned at partner level                                               |            |              |
|                                               | g Interest expense ▶ h Other ▶                                                                      | 16h        |              |
|                                               | Deductions allocated and apportioned at partnership level to foreign source income                  |            |              |
|                                               | i Passive category ▶ j General category ▶ k Other ▶                                                 | 16k        |              |
| Alternative Minimum Tax (AMT) Items           | l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/> | 16l        |              |
|                                               | m Reduction in taxes available for credit (attach statement)                                        | 16m        |              |
|                                               | n Other foreign tax information (attach statement)                                                  |            |              |
|                                               | 17a Post-1986 depreciation adjustment                                                               | 17a        |              |
|                                               | b Adjusted gain or loss                                                                             | 17b        |              |
|                                               | c Depletion (other than oil and gas)                                                                | 17c        |              |
| Other Information                             | d Oil, gas, and geothermal properties – gross income                                                | 17d        |              |
|                                               | e Oil, gas, and geothermal properties – deductions                                                  | 17e        |              |
|                                               | f Other AMT items (attach stmt)                                                                     | 17f        |              |
|                                               | 18a Tax-exempt interest income                                                                      | 18a        |              |
|                                               | b Other tax-exempt income                                                                           | 18b        |              |
|                                               | c Nondeductible expenses                                                                            | 18c        |              |
|                                               | 19a Distributions of cash and marketable securities                                                 | 19a        |              |
| b Distributions of other property             | 19b                                                                                                 |            |              |
| Other Information                             | 20a Investment income                                                                               | 20a        |              |
|                                               | b Investment expenses                                                                               | 20b        |              |
|                                               | c Other items and amounts (attach stmt)                                                             |            |              |

BAA

Form 1065 (2007)

Form 1065 (2007) MCCDC-SA, LLC

26-1599951

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**Analysis of Net Income (Loss)**

|                                                                                                                                              |               |                          |                            |                  |                         |                    |    |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------|----------------------------|------------------|-------------------------|--------------------|----|
| 1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16i. |               |                          |                            |                  |                         | 1                  | 0. |
| 2 Analysis by partner type:                                                                                                                  | (i) Corporate | (ii) Individual (active) | (iii) Individual (passive) | (iv) Partnership | (v) Exempt organization | (vi) Nominee/Other |    |
| a General partners                                                                                                                           |               |                          |                            |                  |                         |                    |    |
| b Limited partners                                                                                                                           |               |                          |                            |                  |                         |                    |    |

| Schedule L: Balance Sheets per Books                   |  | Beginning of tax year |     | End of tax year |            |
|--------------------------------------------------------|--|-----------------------|-----|-----------------|------------|
|                                                        |  | (a)                   | (b) | (c)             | (d)        |
| <b>Assets</b>                                          |  |                       |     |                 |            |
| 1 Cash                                                 |  |                       |     |                 |            |
| 2a Trade notes and accounts receivable                 |  |                       |     |                 |            |
| b Less allowance for bad debts                         |  |                       |     |                 |            |
| 3 Inventories                                          |  |                       |     |                 |            |
| 4 U.S. government obligations                          |  |                       |     |                 |            |
| 5 Tax-exempt securities                                |  |                       |     |                 |            |
| 6 Other current assets (attach stmt) Ln. 6. Stmt       |  |                       |     |                 | 178.       |
| 7 Mortgage and real estate loans                       |  |                       |     |                 |            |
| 8 Other investments (attach stmt) Ln. 8. Stmt          |  |                       | 0.  |                 | 5,800,000. |
| 9a Buildings and other depreciable assets              |  |                       |     |                 |            |
| b Less accumulated depreciation                        |  |                       |     |                 |            |
| 10a Depletable assets                                  |  |                       |     |                 |            |
| b Less accumulated depletion                           |  |                       |     |                 |            |
| 11 Land (net of any amortization)                      |  |                       |     |                 |            |
| 12a Intangible assets (amortizable only)               |  |                       |     |                 |            |
| b Less accumulated amortization                        |  |                       |     |                 |            |
| 13 Other assets (attach stmt)                          |  |                       | 0.  |                 | 5,800,178. |
| 14 Total assets                                        |  |                       |     |                 |            |
| <b>Liabilities and Capital</b>                         |  |                       |     |                 |            |
| 15 Accounts payable                                    |  |                       |     |                 |            |
| 16 Mortgages, notes, bonds payable in less than 1 year |  |                       |     |                 | 2,750,000. |
| 17 Other current liabilities (attach stmt)             |  |                       |     |                 |            |
| 18 All nonrecourse loans                               |  |                       |     |                 |            |
| 19 Mortgages, notes, bonds payable in 1 year or more   |  |                       |     |                 |            |
| 20 Other liabilities (attach stmt) Ln. 20. Stmt        |  |                       |     |                 | 502,628.   |
| 21 Partners' capital accounts                          |  |                       |     |                 | 2,547,550. |
| 22 Total liabilities and capital                       |  |                       |     |                 | 5,800,178. |

**Schedule M-1: Reconciliation of Income (Loss) per Books With Income (Loss) per Return**  
Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

|                                                                                                                          |    |                                                                                                                         |    |
|--------------------------------------------------------------------------------------------------------------------------|----|-------------------------------------------------------------------------------------------------------------------------|----|
| 1 Net income (loss) per books                                                                                            | 0. | 6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):                          |    |
| 2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): |    | a Tax-exempt interest .. \$                                                                                             |    |
| 3 Guaranteed prmts (other than health insurance)                                                                         |    | 7 Deductions included on Schedule K, lines 1 through 13d, and 16i, not charged against book income this year (itemize): |    |
| 4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16i (itemize):               |    | a Depreciation ..... \$                                                                                                 |    |
| a Depreciation ..... \$                                                                                                  |    | 8 Add lines 6 and 7                                                                                                     |    |
| b Travel and entertainment ..... \$                                                                                      |    | 9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5                                    | 0. |
| 5 Add lines 1 through 4                                                                                                  | 0. |                                                                                                                         |    |

**Schedule M-2: Analysis of Partners' Capital Accounts**

|                                |            |                                                       |            |
|--------------------------------|------------|-------------------------------------------------------|------------|
| 1 Balance at beginning of year |            | 6 Distributions: a Cash                               |            |
| 2 Capital contributed: a Cash  | 2,547,550. | b Property                                            |            |
| b Property                     |            | 7 Other decreases (itemize):                          |            |
| 3 Net income (loss) per books  | 0.         | 8 Add lines 6 and 7                                   |            |
| 4 Other increases (itemize):   |            | 9 Balance at end of year. Subtract line 8 from line 5 | 2,547,550. |
| 5 Add lines 1 through 4        | 2,547,550. |                                                       |            |

Form **8832**  
(Rev March 2007)

**Entity Classification Election**

OMB No. 1545-1516

Department of the Treasury  
Internal Revenue Service

Employer identification number  
**26-1599951**

Type  
or  
Print

Name of eligible entity making election

**MCCDC-SA, LLC**

Number, street, and room or suite number. If a P.O. box, see instructions.

**1800 S. Washington, Suite 311**

City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code.

**Amarillo**

**TX 79102**

► Check if: ☐ Address change

**1 Type of election (see instructions):**

- a ☒ Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.  
b ☐ Change in current classification. Go to line 2a.

**2a** Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- ☐ Yes. Go to line 2b.  
☒ No. Skip line 2b and go to line 3.

**2b** Was the eligible entity's prior election for initial classification by a newly formed entity effective on the date of formation?

- ☐ Yes. Go to line 3.  
☐ No. Stop here. You generally are not currently eligible to make the election (see instructions).

**3** Does the eligible entity have more than one owner?

- ☐ Yes. You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.  
☒ No. You can elect to be classified as an association taxable as a corporation or disregarded as a separate entity. Go to line 4.

**4** If the eligible entity has only one owner, provide the following information:

- a Name of owner ..... ► **MC-CDC San Angelo, Ltd.**  
b Identifying number of owner ..... ► **26-1599882**

**5** If the eligible entity is owned by one or more affiliated corporation's that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a Name of parent corporation ..... ►  
b Employer identification number ..... ►

**BAA For Paperwork Reduction Act Notice, see separate instructions.**

Form 8832 (Rev 3-2007)

26-1599951

Page 2

## 6 Type of entity (see instructions):

- a ☐ A domestic eligible entity electing to be classified as an association taxable as a corporation.  
b ☐ A domestic eligible entity electing to be classified as a partnership.  
c ☒ A domestic eligible entity with a single owner electing to be disregarded as a separate entity.  
d ☐ A foreign eligible entity electing to be classified as an association taxable as a corporation.  
e ☐ A foreign eligible entity electing to be classified as a partnership.  
f ☐ A foreign eligible entity with a single owner electing to be disregarded as a separate entity.

**7** If the eligibility entity is created or organized in a foreign jurisdiction, provide the foreign country of organization .....

8 Election is to be effective beginning (month, day, year) (see instructions) ..... 01/01/07

**9 Name and title of contact person whom the IRS may call for more information**

10 Contact person's telephone number

**Consent Statement and Signature(s) (see instructions)**

Under penalties of perjury, I (we) declare that I (we) consent to the election of the above-named entity to be classified as indicated above, and that I (we) have examined this consent statement, and to the best of my (our) knowledge and belief, it is true, correct, and complete. If I am an officer, manager, or member signing for all members of the entity, I further declare that I am authorized to execute this consent statement on their behalf.

[illegible]

**BAA**

Form 8832 (Rev 3-2007)

05-102  
(Rev. 5-07/27)

3333

b ■

a T Code ☒ 13196 Franchise ☐ 16196 Bank

This report MUST be filed to satisfy franchise tax requirements

# TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

|                                                 |                       |
|-------------------------------------------------|-----------------------|
| c Taxpayer identification number<br>32034330558 | d Report year<br>2007 |
|-------------------------------------------------|-----------------------|

Corporation name and address

MCCDC-SA, LLC  
1800 S. Washington, Suite 311  
Amarillo TX 79102

|                    |                                                                                                                                             |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| e PIR / IND<br>1 4 | Secretary of State file number or, if none, Comptroller unchartered number<br>g ■<br>Item k on Franchise Tax Report, Form 05-142 0800911908 |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------|

Please mark through any incorrect information, and type or print the correct information.

The following information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

☐ Check here if there are currently no changes to the information preprinted in Section A of this report. Then, complete Sections Band C.

Corporation's principal office  
1800 S. Washington, Suite 311 Amarillo, Texas 79102  
Principal place of business  
Same

Please sign below! Officer and director information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers and directors change throughout the year.

## SECTION A. Name, title, and mailing address of each officer and director.

|                                                         |                    |                                          |                                            |
|---------------------------------------------------------|--------------------|------------------------------------------|--------------------------------------------|
| NAME<br>Larry Bunn                                      | TITLE<br>President | DIRECTOR<br><input type="checkbox"/> Yes | Term expiration (mm-dd-yyyy)<br>12-31-2008 |
| MAILING ADDRESS<br>1800 S. Washington Amarillo TX 79102 |                    |                                          |                                            |
| NAME<br>Brandon Smith                                   | TITLE<br>Sec/Treas | DIRECTOR<br><input type="checkbox"/> Yes | Term expiration (mm-dd-yyyy)<br>12-31-2008 |
| MAILING ADDRESS<br>1800 S. Washington Amarillo TX 79102 |                    |                                          |                                            |
| NAME                                                    | TITLE              | DIRECTOR<br><input type="checkbox"/> Yes | Term expiration (mm-dd-yyyy)               |
| MAILING ADDRESS                                         |                    |                                          |                                            |
| NAME                                                    | TITLE              | DIRECTOR<br><input type="checkbox"/> Yes | Term expiration (mm-dd-yyyy)               |
| MAILING ADDRESS                                         |                    |                                          |                                            |
| NAME                                                    | TITLE              | DIRECTOR<br><input type="checkbox"/> Yes | Term expiration (mm-dd-yyyy)               |
| MAILING ADDRESS                                         |                    |                                          |                                            |

## SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

|                                                                             |                           |                       |                     |
|-----------------------------------------------------------------------------|---------------------------|-----------------------|---------------------|
| Name of owned (subsidiary) corporation or limited liability company<br>None | State of inc/organization | Texas SOS file number | Percentage interest |
| Name of owned (subsidiary) corporation or limited liability company         | State of inc/organization | Texas SOS file number | Percentage interest |

## SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

|                                                                                             |                                 |                       |                               |
|---------------------------------------------------------------------------------------------|---------------------------------|-----------------------|-------------------------------|
| Name of owning (parent) corporation or limited liability company<br>MC-CDC San Angelo, Ltd. | State of inc/organization<br>TX | Texas SOS file number | Percentage interest<br>100.00 |
|---------------------------------------------------------------------------------------------|---------------------------------|-----------------------|-------------------------------|

Registered agent and registered office currently on file. (See instructions if you need to make changes.)

Agent: Larry Bunn  
Office: 1800 S. Washington  
Amarillo TX 79102

☐ Check here if you need forms to change the registered agent or registered office information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this, or a related, corporation or limited liability company.

|                                                            |                    |      |                                            |
|------------------------------------------------------------|--------------------|------|--------------------------------------------|
| sign here<br>Officer, director, or other authorized person | Title<br>President | Date | Daytime phone (Area code and number)<br>IN |
|------------------------------------------------------------|--------------------|------|--------------------------------------------|



**Texas Franchise Tax  
Information Worksheet**

► Keep for your records

**2007**

**Part I – Identifying Information**

Texas Taxpayer Identification Number .. 32034330558 Charter number ..... 0800911908  
(Secretary of State number)  
Name ..... MCCDC-SA, LLC  
Address ..... 1800 S. Washington, Suite 311  
City ..... Amarillo State .... TX ZIP Code .. 79102  
Telephone ..... Extension .....  
Fax Number ..... E-mail Address ..

☐ Check this box if the address listed above is different than shown on last year's report

**Part II – Texas Tax Return Information**

Select type of return to be filed (applicable to Form 05-139 only) .....

**Select applicable boxes:**

- ☐ This is a taxable entity that provides only services (no cost of goods sold)  
☐ Amended Return

**Additional Information used in Forms 05-168 and 05-171:**

4-digit SIC code .....  
6 digit NAICS code ..... 531110  
Date corporation or LLC received its Texas charter or began doing business in Texas ....  
Effective date of dissolution or date business ceased in Texas .....

**Note:** See tax help for ending date if this is an entity which is part of a combined group

**Additional information used in Form 05-139 and Client Letter:**

Accounting period beginning & ending date (Form 05-139) ..... 01/01/07 through 12/31/07  
Privilege period covered by this report (optional for client letter) ..... through .....

**Form 05-102:**

☐ Select this box if using a preprinted Form 05-102 (stops form from being part of the return)

**Form 05-139:**

☐ Select this box if Form 05-139 was extended (adds 105 days to the 05-139 due date)

**Select tax form(s) to file (see important note in tax help):**

|                                                                                              |                            |
|----------------------------------------------------------------------------------------------|----------------------------|
| QuickZoom to Form 05-102, Franchise Tax Public Information Report.....                       | ► <input type="checkbox"/> |
| QuickZoom to Form 05-139, Final Corporation Franchise Tax Report (final before 11/2/07) ...  | ► <input type="checkbox"/> |
| QuickZoom to Form 05-168, Franchise Tax Initial Report .....                                 | ► <input type="checkbox"/> |
| QuickZoom to Form 05-171, Franchise Tax Transitional Final Report (final after 11/1/07) .... | ► <input type="checkbox"/> |

**Part III – Federal Tax Year Information**

☒ Calendar year  
☐ Fiscal year – Ending month .....  
☐ Short year – Beginning date .....  
Ending date .....

**Part IV – Electronic Funds Transfer Information**

☐ Check if enrolled in the electronic funds transfer (EFT) program.



Susan Combs Texas Comptroller of Public Accounts



Corporation Search Results

## Franchise Tax Certification of Account Status

### **This Certification Not Sufficient for Filings with Secretary of State**

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

| Certification of Account Status    | Officers And Directors Information                                              |
|------------------------------------|---------------------------------------------------------------------------------|
| Company Information:               | MC-CDC-SA LLC<br>1800 S WASHINGTON ST STE 309<br>AMARILLO, TX 79102-2652        |
| Status:                            | IN GOOD STANDING NOT FOR<br>DISSOLUTION OR WITHDRAWAL<br>through March 17, 2009 |
| Registered Agent:                  | LARRY BUNN<br>1800 S WASHINGTON, SUITE 309<br>AMARILLO, TX 79102                |
| Registered Agent Resignation Date: |                                                                                 |
| State of Incorporation:            | TX                                                                              |
| File Number:                       | 0800911908                                                                      |
| Charter/COA Date:                  | December 18, 2007                                                               |
| Charter/COA Type:                  | Charter                                                                         |
| Taxpayer Number:                   | 32034330558                                                                     |

Texas Online | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

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Susan Combs Texas Comptroller of Public Accounts



Corporation Search Results

**Officers and Directors**  
**MC-CDC-SA LLC**

[Return to: Corporation Search Results](#)

Officer and director information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from [open.records@cpa.state.tx.us](mailto:open.records@cpa.state.tx.us) or Comptroller of Public Accounts, Open Government Division, PO Box 13528, Austin, Texas 78711.

| Title:  | Name and Address:                                                   | Expiration/Resignation Date: |
|---------|---------------------------------------------------------------------|------------------------------|
| MANAGER | <b>KATIE EDENSO</b><br>3308 S EDDY, #262<br>AMARILLO, TX 79109      |                              |
| MANAGER | <b>NORMA TIJERINA</b><br>2000 S.E. 28TH, #712<br>AMARILLO, TX 79103 |                              |
| MANAGER | <b>TONY HARWELL</b><br>3420 THORTON DRIVE<br>AMARILLO, TX 79109     |                              |
| MANAGER | <b>VICKI STERQUELL</b><br>576 TRIANON<br>HOUSTON, TX 77024          |                              |
| MANAGER | <b>WILLIAM COLEMAN</b><br>3308 S EDDY, #712<br>AMARILLO, TX 79109   |                              |

Texas Online | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

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## Partnership Information Worksheet

2007

► Keep for your records

### Part I – Identifying Information

Employer Identification Number ..... 26-1599951 Date Business Started ..... 12/18/2007  
Name ..... MCCDC-SA, LLC  
Name (continuation) .....  
Doing Business As .....  
Address ..... 1800 S. Washington, Suite 311  
City ..... Amarillo State TX ZIP Code 79102  
Foreign Country .....  
Telephone Number ..... Extension .....  
Fax Number ..... E-Mail Address .....  
Tax Shelter Registration Number .....

☐ Eligible for hurricane tax relief legislation benefits

### Part II – Tax Year and Filing Information

☒ Calendar year  
☐ Fiscal year – Ending month ..... Ending date .....  
☐ Short year – Beginning date ..... Ending date .....

### Part III – IRS Center

IRS center where partnership filed return ..... Ogden, UT

### Part IV – Schedule K-1 Information

#### Percentage Used for Allocation to Schedules K-1

☒ Profit ☐ Loss ☐ Ownership

#### K-1 Rounding Options

☒ Distribute the rounding difference to the partner with the largest percentage.  
☐ Distribute the rounding difference to partner number .....  
☐ Distribute the rounding difference among partners.  
☐ Do not distribute the rounding difference to any partner.

#### K-1 Analysis of Partner's Capital Account Options (Schedule K-1, Item L, Row C)

☐ Sum the individual line items on each partner's Schedule K-1.  
☒ Multiply total partnership amounts by each partner's K-1 allocation percentage.

#### K-1 Capital Account Accounting Method

☒ Tax basis  
☐ Generally Accepted Accounting Principles (GAAP)  
☐ Section 704(b) book  
☐ Other .....

#### Partner Printing Options

| Yes                                 | No                                  |                                                                           |
|-------------------------------------|-------------------------------------|---------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Print Schedules K-1?                                                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Include page 2 of Schedules K-1 (codes and descriptions) with tax return? |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Print Partner Number on Schedules K-1?                                    |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Print detail of Item L, Row C on each partner's Schedule K-1?             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Calculate and print Schedule K Reconciliation Report?                     |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Calculate and print the Partner Basis Statement?                          |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Calculate and print the SEP Contribution Worksheet for each partner?      |

Enter a SEP contribution rate here (maximum 25%) .... ►

MCCDC-SA, LLC

26-1599951 Page 2

**Part V – Electronic Filing Information**

**Electronic Filing:**

- ☐ Check this box to file the federal return electronically  
☐ Check this box to file the state(s) electronically

\* Select the state or states to file electronically.  
Multiple states can be entered.

| State(s) * |
|------------|
|            |
|            |
|            |
|            |

**Practitioner PIN program:**

- ☐ Check this box to sign this return electronically using the Practitioner PIN  
☐ ERO entered PIN

Partner's or Limited Liability Company Member's PIN (enter any 5 numbers) .....

Date PIN entered .....

**Electronic Filing of Extensions:**

- ☐ Check this box to file **Form 7004** (application for extension of time to file return) electronically  
☐ Check this box to file the state extension(s) electronically (MA & MD only) .....

\* Select the state or states to file electronically. (Multiple states can be entered)

| State(s) * |
|------------|
|            |
|            |
|            |
|            |


**Information required for Electronic Filing:**


Partner's or LLC Member's Name .....

☐ General Partner ☐ Limited Liability Company Member ☐ Tax Matters Partner (TMP)

**Electronic Filing of Amended Return:**

- ☐ Check this box to file **amended return** electronically

QuickZoom to the Electronic Filing Information Worksheet..... 

QuickZoom here to Form 1065, page 1 and 2..... 

QuickZoom here to Schedule K-1 Worksheet..... 

QuickZoom to Client Status..... 

MCCDC-SA, LLC 26-159995

1

Schedule K Reconciliation

| Partner                 | K-1 K(2)<br>Qual Non-<br>Recourse | K-1 K(3)<br>Liab<br>Other | K-1 L(c)<br>Sch K-1<br>Item L(c) |  |  |
|-------------------------|-----------------------------------|---------------------------|----------------------------------|--|--|
| MC-CDC San Angelo, Ltd. | 2,750,000                         | 502,628                   | 0                                |  |  |
| Total                   | <u>2,750,000</u>                  | <u>502,628</u>            | <u>0</u>                         |  |  |

MCCDC-SA, LLC 26-159995

1

Form 1065, Schedule L, Line 6  
**Other Current Assets**

| <b>Other Current Assets:</b>  | <b>Beginning of<br/>tax year</b> | <b>End of<br/>tax year</b> |
|-------------------------------|----------------------------------|----------------------------|
| <b>Prepaid Property Taxes</b> |                                  | <b>178.</b>                |
| <b>Total</b>                  |                                  | <b>178.</b>                |

Form 1065, Schedule L, Line 8  
**Other Investments**

| <b>Other Investments:</b>   | <b>Beginning of<br/>tax year</b> | <b>End of<br/>tax year</b> |
|-----------------------------|----------------------------------|----------------------------|
| <b>333 Rio Concho Drive</b> | <b>0.</b>                        | <b>5,800,000.</b>          |
| <b>Total</b>                | <b>0.</b>                        | <b>5,800,000.</b>          |

Form 1065, Schedule L, Line 20  
**Other Liabilities**


| <b>Other Liabilities:</b>      | <b>Beginning of<br/>tax year</b> | <b>End of<br/>tax year</b> |
|--------------------------------|----------------------------------|----------------------------|
| <b>Capacity Building Grant</b> |                                  | <b>502,628.</b>            |
| <b>Total</b>                   |                                  | <b>502,628.</b>            |

MCCDC-SA, LLC 26-1599

Form 1065 p3-4: Return of Partnership Income

| Partners' Liabilities Smart Worksheet |                                                                     |            |
|---------------------------------------|---------------------------------------------------------------------|------------|
| A                                     | Total liabilities included in Schedule L, line 22, column (d) ..... | 3,252,628. |
| Classification of liabilities:        |                                                                     |            |
| B                                     | Nonrecourse (not including qualified nonrecourse) .....             |            |
| C                                     | Qualified nonrecourse .....                                         | 2,750,000. |
| D                                     | Recourse .....                                                      | 502,628.   |
| E                                     | Total of lines B, C, and D .....                                    | 3,252,628. |

Form 1065 p3-4: Return of Partnership Income

| Schedule M-1 Smart Worksheet                                                                                                                        |                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>QuickZoom</b> here to use optional M-1 Items Worksheet .....  |                                                                          |
| Program will complete Schedule M-1, lines 2 through 9, from entries on worksheet.                                                                   |                                                                          |
| <b>Computed Net Income (Loss) Per Books</b>                                                                                                         |                                                                          |
| A                                                                                                                                                   | Income (loss) per return (Form 1065, page 4, line 1 — analysis) ..... 0. |
| B                                                                                                                                                   | Income item tax/book differences from M-1 Items Worksheet .....          |
| C                                                                                                                                                   | Expense item tax/book differences from M-1 Items Worksheet .....         |
| D                                                                                                                                                   | Net tax/book differences (combine lines B and C) .....                   |
| E                                                                                                                                                   | Computed net income (loss) per books (combine lines A and D) ..... 0.    |
| Check box to enter line E on Schedule M-1, line 1 ..... <input checked="" type="checkbox"/>                                                         |                                                                          |
| Otherwise, enter net income (loss) per books on line 1 below ..... <input type="checkbox"/>                                                         |                                                                          |

Form 8832, p2: Entity Classification Election

| Filing Address Smart Worksheet                                                                                              |  |
|-----------------------------------------------------------------------------------------------------------------------------|--|
| <b>Mail Form 8832 separately from your tax return to the following address:</b>                                             |  |
| <b>(Note: Also attach copy to your return for year of election. See government instructions.)</b>                           |  |
| <div style="border: 1px solid black; padding: 5px;"><u>Internal Revenue Service Center</u><br/><u>Ogden, UT 84201</u></div> |  |



## Exhibit F

651108

OMB No. 1545-0099

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2008**

For calendar year 2008, or tax

year beginning \_\_\_\_\_, 2008  
ending \_\_\_\_\_

**Partner's Share of Income, Deductions, Credits, etc.** ▶ See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
**26-1599882**

**B** Partnership's name, address, city, state, and ZIP code  
**MC-CDC San Angelo, Ltd.**  
**1800 S. Washington, Suite 309**  
**Amarillo, TX 79102**

**C** IRS Center where partnership filed return  
**Ogden, UT**

**D** ☐ Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
**75-0330569**

**F** Partner's name, address, city, state, and ZIP code  
**Herring Bank**  
**2201 Civic Circle**  
**Amarillo, TX 79109**

**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

**H** ☒ Domestic partner ☐ Foreign partner

**I** What type of entity is this partner? **Nominee-C**

**J** Partner's share of profit, loss, and capital (see instructions):

|         | Beginning  | Ending    |
|---------|------------|-----------|
| Profit  | 99.99000 % | 0.00000 % |
| Loss    | 99.99000 % | 0.00000 % |
| Capital | 99.99000 % | 0.00000 % |

**K** Partner's share of liabilities at year end:

|                                 |    |    |
|---------------------------------|----|----|
| Nonrecourse                     | \$ |    |
| Qualified nonrecourse financing | \$ | 0. |
| Recourse                        | \$ |    |

**L** Partner's capital account analysis:

|                                     |    |             |
|-------------------------------------|----|-------------|
| Beginning capital account           | \$ | 0.          |
| Capital contributed during the year | \$ | 1,119,033.  |
| Current year increase (decrease)    | \$ | -1,119,033. |
| Withdrawals and distributions       | \$ |             |
| Ending capital account              | \$ | 0.          |

☒ Tax basis ☐ GAAP ☐ Section 704(b) book  
☐ Other (explain)

☒ Final K-1

☐ Amended K-1

**Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items**

|    |                                      |    |                                              |
|----|--------------------------------------|----|----------------------------------------------|
| 1  | Ordinary business income (loss)      | 15 | Credits                                      |
|    | -178.                                |    |                                              |
| 2  | Net rental real estate income (loss) |    |                                              |
| 3  | Other net rental income (loss)       | 16 | Foreign transactions                         |
| 4  | Guaranteed payments                  |    |                                              |
| 5  | Interest income                      |    |                                              |
| 6a | Ordinary dividends                   |    |                                              |
| 6b | Qualified dividends                  |    |                                              |
| 7  | Royalties                            |    |                                              |
| 8  | Net short-term capital gain (loss)   |    |                                              |
| 9a | Net long-term capital gain (loss)    | 17 | Alternative minimum tax (AMT) items          |
|    | 1,428,440.                           |    |                                              |
| 9b | Collectibles (28%) gain (loss)       |    |                                              |
| 9c | Unrecaptured section 1250 gain       |    |                                              |
| 10 | Net section 1231 gain (loss)         | 18 | Tax-exempt income and nondeductible expenses |
| 11 | Other income (loss)                  |    |                                              |
|    |                                      |    |                                              |
|    |                                      | 19 | Distributions                                |
| 12 | Section 179 deduction                |    |                                              |
| 13 | Other deductions                     | 20 | Other information                            |
| E  | 2,547,295.                           |    |                                              |
| 14 | Self-employment earnings (loss)      |    |                                              |

\*See attached statement for additional information.

FOR  
IRS  
USE  
ONLY

Schedule K-1 (Form 1065) 2008

BAA For Paperwork Reduction Act Notice, see Instructions for Form 1065.

PTPA0312 12/15/08

26-1599882

Page 2

**Schedule K-1 (Form 1065) 2008 Herring Bank**

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

|                                                                                                                                                 |                                                                                            |                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.     | <b>Report on</b><br>Passive loss<br>Passive income<br>Nonpassive loss<br>Nonpassive income | See the Partner's Instructions<br>Schedule E, line 28, column (g)<br>Schedule E, line 28, column (h)<br>Schedule E, line 28, column (i)<br>See the Partner's Instructions |
| <b>2 Net rental real estate income (loss)</b>                                                                                                   |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>3 Other net rental income (loss)</b>                                                                                                         |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>4 Guaranteed payments</b>                                                                                                                    |                                                                                            | Schedule E, line 28, column (g)                                                                                                                                           |
| <b>5 Interest income</b>                                                                                                                        |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>6a Ordinary dividends</b>                                                                                                                    |                                                                                            | Schedule E, line 28, column (j)                                                                                                                                           |
| <b>6b Qualified dividends</b>                                                                                                                   |                                                                                            | Form 1040, line 8a                                                                                                                                                        |
| <b>7 Royalties</b>                                                                                                                              |                                                                                            | Form 1040, line 9a                                                                                                                                                        |
| <b>8 Net short-term capital gain (loss)</b>                                                                                                     |                                                                                            | Form 1040, line 9b                                                                                                                                                        |
| <b>9a Net long-term capital gain (loss)</b>                                                                                                     |                                                                                            | Schedule E, line 4                                                                                                                                                        |
| <b>9b Collectibles (28%) gain (loss)</b>                                                                                                        |                                                                                            | Schedule D, line 5, column (f)                                                                                                                                            |
| <b>9C Unrecaptured section 1250 gain</b>                                                                                                        |                                                                                            | Schedule D, line 12, column (f)                                                                                                                                           |
| <b>10 Net section 1231 gain (loss)</b>                                                                                                          |                                                                                            | 28% Rate Gain Worksheet, line 4 (Schedule D Instructions)                                                                                                                 |
| <b>11 Other income (loss)</b>                                                                                                                   |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>Code</b>                                                                                                                                     |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>A Other portfolio income (loss)</b>                                                                                                          |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>B Involuntary conversions</b>                                                                                                                |                                                                                            | Form 6781, line 1                                                                                                                                                         |
| <b>C Section 1256 contracts and straddles</b>                                                                                                   |                                                                                            | See Pub 535                                                                                                                                                               |
| <b>D Mining exploration costs recapture</b>                                                                                                     |                                                                                            | Form 1040, line 21 or Form 982                                                                                                                                            |
| <b>E Cancellation of debt</b>                                                                                                                   |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>F Other income (loss)</b>                                                                                                                    |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>12 Section 179 deduction</b>                                                                                                                 |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>13 Other deductions</b>                                                                                                                      |                                                                                            |                                                                                                                                                                           |
| <b>A Cash contributions (50%)</b>                                                                                                               |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>B Cash contributions (30%)</b>                                                                                                               |                                                                                            |                                                                                                                                                                           |
| <b>C Noncash contributions (50%)</b>                                                                                                            |                                                                                            |                                                                                                                                                                           |
| <b>D Noncash contributions (30%)</b>                                                                                                            |                                                                                            |                                                                                                                                                                           |
| <b>E Capital gain property to a 50% organization (30%)</b>                                                                                      |                                                                                            |                                                                                                                                                                           |
| <b>F Capital gain property (20%)</b>                                                                                                            |                                                                                            |                                                                                                                                                                           |
| <b>G Contributions (100%)</b>                                                                                                                   |                                                                                            |                                                                                                                                                                           |
| <b>H Investment interest expense</b>                                                                                                            |                                                                                            | Form 4952, line 1                                                                                                                                                         |
| <b>I Deductions — royalty income</b>                                                                                                            |                                                                                            | Schedule E, line 18                                                                                                                                                       |
| <b>J Section 59(e)(2) expenditures</b>                                                                                                          |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>K Deductions — portfolio (2% floor)</b>                                                                                                      |                                                                                            | Schedule A, line 23                                                                                                                                                       |
| <b>L Deductions — portfolio (other)</b>                                                                                                         |                                                                                            | Schedule A, line 28                                                                                                                                                       |
| <b>M Amounts paid for medical insurance</b>                                                                                                     |                                                                                            | Schedule A, line 1 or Form 1040, line 29                                                                                                                                  |
| <b>N Educational assistance benefits</b>                                                                                                        |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>O Dependent care benefits</b>                                                                                                                |                                                                                            | Form 2441, line 14                                                                                                                                                        |
| <b>P Preproductive period expenses</b>                                                                                                          |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>Q Commercial revitalization deduction from rental real estate activities</b>                                                                 |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>R Pensions and IRAs</b>                                                                                                                      |                                                                                            | See Form 8582 Instructions                                                                                                                                                |
| <b>S Reforestation expense deduction</b>                                                                                                        |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>T Domestic production activities information</b>                                                                                             |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>U Qualified production activities income</b>                                                                                                 |                                                                                            | Form 8903, line 7                                                                                                                                                         |
| <b>V Employer's W-2 wages</b>                                                                                                                   |                                                                                            | Form 8903, line 15                                                                                                                                                        |
| <b>W Other deductions</b>                                                                                                                       |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>14 Self-employment earnings (loss)</b>                                                                                                       |                                                                                            |                                                                                                                                                                           |
| <b>Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.</b> |                                                                                            |                                                                                                                                                                           |
| <b>A Net earnings (loss) from self-employment</b>                                                                                               |                                                                                            | Schedule SE, Section A or B                                                                                                                                               |
| <b>B Gross farming or fishing income</b>                                                                                                        |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>C Gross non-farm income</b>                                                                                                                  |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>15 Credits</b>                                                                                                                               |                                                                                            |                                                                                                                                                                           |
| <b>A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings</b>                                                                   |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>B Low-income housing credit (other) from pre-2008 buildings</b>                                                                              |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>C Low-income housing credit (section 42(j)(5)) from post-2007 buildings</b>                                                                  |                                                                                            | Form 8586, line 11                                                                                                                                                        |
| <b>D Low-income housing credit (other) from post-2007 buildings</b>                                                                             |                                                                                            | Form 8586, line 11                                                                                                                                                        |
| <b>E Qualified rehabilitation expenditures (rental real estate)</b>                                                                             |                                                                                            | See the Partner's Instructions                                                                                                                                            |
| <b>F Other rental real estate credits</b>                                                                                                       |                                                                                            |                                                                                                                                                                           |
| <b>G Other rental credits</b>                                                                                                                   |                                                                                            |                                                                                                                                                                           |
| <b>H Undistributed capital gains credit</b>                                                                                                     |                                                                                            | Form 1040, line 68; check box a                                                                                                                                           |
| <b>I Alcohol and cellulosic biofuel fuels credit</b>                                                                                            |                                                                                            | Form 6478, line 9                                                                                                                                                         |

| Code                                                                               | Report on                                                         |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| J Work opportunity credit                                                          | Form 5884, line 3                                                 |
| K Disabled access credit                                                           | See the Partner's Instructions                                    |
| L Empowerment zone and renewal community employment credit                         | Form 8844, line 3                                                 |
| M Credit for increasing research activities                                        | See the Partner's Instructions                                    |
| N Credit for employer social security and Medicare taxes                           | Form 8846, line 5                                                 |
| O Backup withholding                                                               | Form 1040, line 62                                                |
| P Other credits                                                                    | See the Partner's Instructions                                    |
| 16 Foreign transactions                                                            |                                                                   |
| A Name of country or U.S. possession                                               | Form 1116, Part I                                                 |
| B Gross income from all sources                                                    |                                                                   |
| C Gross income sourced at partner level                                            |                                                                   |
| Foreign gross income sourced at partnership level                                  |                                                                   |
| D Passive category                                                                 | Form 1116, Part I                                                 |
| E General category                                                                 |                                                                   |
| F Other                                                                            |                                                                   |
| Deductions allocated and apportioned at partner level                              |                                                                   |
| G Interest expense                                                                 | Form 1116, Part I                                                 |
| H Other                                                                            | Form 1116, Part I                                                 |
| Deductions allocated and apportioned at partnership level to foreign source income |                                                                   |
| I Passive category                                                                 | Form 1116, Part I                                                 |
| J General category                                                                 |                                                                   |
| K Other                                                                            |                                                                   |
| Other information                                                                  |                                                                   |
| L Total foreign taxes paid                                                         | Form 1116, Part II                                                |
| M Total foreign taxes accrued                                                      | Form 1116, Part II                                                |
| N Reduction in taxes available for credit                                          | Form 1116, line 12                                                |
| O Foreign trading gross receipts                                                   | Form 8873                                                         |
| P Extraterritorial income exclusion                                                | Form 8873                                                         |
| Q Other foreign transactions                                                       | See the Partner's Instructions                                    |
| 17 Alternative minimum tax (AMT) items                                             |                                                                   |
| A Post-1986 depreciation adjustment                                                | See the Partner's Instructions and the Instructions for Form 6251 |
| B Adjusted gain or loss                                                            |                                                                   |
| C Depletion (other than oil & gas)                                                 |                                                                   |
| D Oil, gas, & geothermal — gross income                                            |                                                                   |
| E Oil, gas, & geothermal — deductions                                              |                                                                   |
| F Other AMT items                                                                  |                                                                   |
| 18 Tax-exempt income and nondeductible expenses                                    |                                                                   |
| A Tax-exempt interest income                                                       | Form 1040, line 8b                                                |
| B Other tax-exempt income                                                          | See the Partner's Instructions                                    |
| C Nondeductible expenses                                                           | See the Partner's Instructions                                    |
| 19 Distributions                                                                   |                                                                   |
| A Cash and marketable securities                                                   | See Partner's Instructions                                        |
| B Other property                                                                   |                                                                   |
| C Distribution subject to section 737                                              |                                                                   |
| 20 Other information                                                               |                                                                   |
| A Investment income                                                                | Form 4952, line 4a                                                |
| B Investment expenses                                                              | Form 4952, line 5                                                 |
| C Fuel tax credit information                                                      | Form 4136                                                         |
| D Qualified rehabilitation expenditures (other than rental real estate)            | See the Partner's Instructions                                    |
| E Basis of energy property                                                         | See the Partner's Instructions                                    |
| F Recapture of low-income housing credit (section 42(j)(5))                        | Form 8611, line 8                                                 |
| G Recapture of low-income housing credit (other)                                   | Form 8611, line 8                                                 |
| H Recapture of investment credit                                                   | Form 4255                                                         |
| I Recapture of other credits                                                       | See the Partner's Instructions                                    |
| J Look-back interest — completed long-term contracts                               | See Form 8697                                                     |
| K Look-back interest — income forecast method                                      | See Form 8866                                                     |
| L Dispositions of property with section 179 deductions                             | See the Partner's Instructions                                    |
| M Recapture of section 179 deduction                                               |                                                                   |
| N Interest expense for corporate partners                                          |                                                                   |
| O Section 453(f)(3) information                                                    |                                                                   |
| P Section 453A(c) information                                                      |                                                                   |
| Q Section 1260(b) information                                                      |                                                                   |
| R Interest allocable to production expenditures                                    |                                                                   |
| S CCF nonqualified withdrawals                                                     |                                                                   |
| T Depletion information — oil and gas                                              |                                                                   |
| U Amortization of reforestation costs                                              |                                                                   |
| V Unrelated business taxable income                                                |                                                                   |
| W Precontribution gain (loss)                                                      |                                                                   |
| X Other information                                                                |                                                                   |

651108

**Schedule K-1**  
**(Form 1065)**

Department of the Treasury  
Internal Revenue Service

**2008**

For calendar year 2008, or tax

year beginning \_\_\_\_\_, 2008

ending \_\_\_\_\_, 2008

**Partner's Share of Income, Deductions, Credits, etc.**

► See separate instructions.

**Part I Information About the Partnership**

**A** Partnership's employer identification number  
**26-1599882**

**B** Partnership's name, address, city, state, and ZIP code  
**MC-CDC San Angelo, Ltd.**  
**1800 S. Washington, Suite 309**  
**Amarillo, TX 79102**

**C** IRS Center where partnership filed return  
**Ogden, UT**

**D** ☐ Check if this is a publicly traded partnership (PTP)

**Part II Information About the Partner**

**E** Partner's identifying number  
**75-2315295**

**F** Partner's name, address, city, state, and ZIP code  
**American Housing Foundation**  
**1800 S. Washington, Suite 311**  
**Amarillo, TX 79102**

**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

**H** ☒ Domestic partner ☐ Foreign partner

**I** What type of entity is this partner? **Exempt Org**

**J** Partner's share of profit, loss, and capital (see instructions):

|         | Beginning | Ending     |
|---------|-----------|------------|
| Profit  | 0.00000 % | 99.99000 % |
| Loss    | 0.00000 % | 99.99000 % |
| Capital | 0.00000 % | 99.99000 % |

**K** Partner's share of liabilities at year end:

|                                 |    |            |
|---------------------------------|----|------------|
| Nonrecourse                     | \$ |            |
| Qualified nonrecourse financing | \$ | 3,149,685. |
| Recourse                        | \$ |            |

**L** Partner's capital account analysis:

|                                     |    |            |
|-------------------------------------|----|------------|
| Beginning capital account           | \$ |            |
| Capital contributed during the year | \$ | 2,824,936. |
| Current year increase (decrease)    | \$ | 0.         |
| Withdrawals and distributions       | \$ |            |
| Ending capital account              | \$ | 2,824,936. |

☒ Tax basis ☐ GAAP ☐ Section 704(b) book  
☐ Other (explain)

☐ Final K-1 ☐ Amended K-1

OMB No. 1545-0099

| <b>Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items</b> |                                      |    |                                              |
|----------------------------------------------------------------------------------------------|--------------------------------------|----|----------------------------------------------|
| 1                                                                                            | Ordinary business income (loss)      | 15 | Credits                                      |
| 2                                                                                            | Net rental real estate income (loss) |    |                                              |
| 3                                                                                            | Other net rental income (loss)       | 16 | Foreign transactions                         |
| 4                                                                                            | Guaranteed payments                  |    |                                              |
| 5                                                                                            | Interest income                      |    |                                              |
| 6a                                                                                           | Ordinary dividends                   |    |                                              |
| 6b                                                                                           | Qualified dividends                  |    |                                              |
| 7                                                                                            | Royalties                            |    |                                              |
| 8                                                                                            | Net short-term capital gain (loss)   |    |                                              |
| 9a                                                                                           | Net long-term capital gain (loss)    | 17 | Alternative minimum tax (AMT) items          |
| 9b                                                                                           | Collectibles (28%) gain (loss)       |    |                                              |
| 9c                                                                                           | Unrecaptured section 1250 gain       |    |                                              |
| 10                                                                                           | Net section 1231 gain (loss)         | 18 | Tax-exempt income and nondeductible expenses |
| 11                                                                                           | Other income (loss)                  |    |                                              |
|                                                                                              |                                      |    |                                              |
|                                                                                              |                                      | 19 | Distributions                                |
| 12                                                                                           | Section 179 deduction                |    |                                              |
| 13                                                                                           | Other deductions                     | 20 | Other information                            |
|                                                                                              |                                      |    |                                              |
| 14                                                                                           | Self-employment earnings (loss)      |    |                                              |

\*See attached statement for additional information.

FOR IRS USE ONLY

Schedule K-1 (Form 1065) 2008 **American Housing Foundation**

26-1599882 Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

**1 Ordinary business income (loss).** Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.

Passive loss

Passive income

Nonpassive loss

Nonpassive income

**2 Net rental real estate income (loss)**

**3 Other net rental income (loss)**

Net income

Net loss

**4 Guaranteed payments**

**5 Interest income**

**6a Ordinary dividends**

**6b Qualified dividends**

**7 Royalties**

**8 Net short-term capital gain (loss)**

**9a Net long-term capital gain (loss)**

**9b Collectibles (28%) gain (loss)**

**9c Unrecaptured section 1250 gain**

**10 Net section 1231 gain (loss)**

**11 Other income (loss)**

**Code**

**A** Other portfolio income (loss)

**B** Involuntary conversions

**C** Section 1256 contracts and straddles

**D** Mining exploration costs recapture

**E** Cancellation of debt

**F** Other income (loss)

**12 Section 179 deduction**

**13 Other deductions**

**A** Cash contributions (50%)

**B** Cash contributions (30%)

**C** Noncash contributions (50%)

**D** Noncash contributions (30%)

**E** Capital gain property to a 50% organization (30%)

**F** Capital gain property (20%)

**G** Contributions (100%)

**H** Investment interest expense

**I** Deductions — royalty income

**J** Section 59(e)(2) expenditures

**K** Deductions — portfolio (2% floor)

**L** Deductions — portfolio (other)

**M** Amounts paid for medical insurance

**N** Educational assistance benefits

**O** Dependent care benefits

**P** Preproductive period expenses

**Q** Commercial revitalization deduction from rental real estate activities

**R** Pensions and IRAs

**S** Reforestation expense deduction

**T** Domestic production activities information

**U** Qualified production activities income

**V** Employer's W-2 wages

**W** Other deductions

**14 Self-employment earnings (loss)**

Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.

**A** Net earnings (loss) from self-employment

**B** Gross farming or fishing income

**C** Gross non-farm income

**15 Credits**

**A** Low-income housing credit (section 42(j)(5)) from pre-2008 buildings

**B** Low-income housing credit (other) from pre-2008 buildings

**C** Low-income housing credit (section 42(j)(5)) from post-2007 buildings

**D** Low-income housing credit (other) from post-2007 buildings

**E** Qualified rehabilitation expenditures (rental real estate)

**F** Other rental real estate credits

**G** Other rental credits

**H** Undistributed capital gains credit

**I** Alcohol and cellulosic biofuel fuels credit

**Report on**

See the Partner's Instructions

Schedule E, line 28, column (g)

Schedule E, line 28, column (h)

Schedule E, line 28, column (i)

See the Partner's Instructions

Schedule E, line 28, column (g)

See the Partner's Instructions

Schedule E, line 28, column (i)

Form 1040, line 8a

Form 1040, line 9a

Form 1040, line 9b

Schedule E, line 4

Schedule D, line 5, column (f)

Schedule D, line 12, column (f)

28% Rate Gain Worksheet, line 4 (Schedule D Instructions)

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

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See the Partner's Instructions

Form 6781, line 1

See Pub 535

Form 1040, line 21 or Form 982

See the Partner's Instructions

See the Partner's Instructions

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**Code**

**J** Work opportunity credit

**K** Disabled access credit

**L** Empowerment zone and renewal community employment credit

**M** Credit for increasing research activities

**N** Credit for employer social security and Medicare taxes

**O** Backup withholding

**P** Other credits

**16 Foreign transactions**

**A** Name of country or U.S. possession

**B** Gross income from all sources

**C** Gross income sourced at partner level

**Foreign gross income sourced at partnership level**

**D** Passive category

**E** General category

**F** Other

**Deductions allocated and apportioned at partner level**

**G** Interest expense

**H** Other

**Deductions allocated and apportioned at partnership level to foreign source income**

**I** Passive category

**J** General category

**K** Other

**Other information**

**L** Total foreign taxes paid

**M** Total foreign taxes accrued

**N** Reduction in taxes available for credit

**O** Foreign trading gross receipts

**P** Extraterritorial income exclusion

**Q** Other foreign transactions

**17 Alternative minimum tax (AMT) items**

**A** Post-1986 depreciation adjustment

**B** Adjusted gain or loss

**C** Depletion (other than oil & gas)

**D** Oil, gas, & geothermal — gross income

**E** Oil, gas, & geothermal — deductions

**F** Other AMT items

**18 Tax-exempt income and nondeductible expenses**

**A** Tax-exempt interest income

**B** Other tax-exempt income

**C** Nondeductible expenses

**19 Distributions**

**A** Cash and marketable securities

**B** Other property

**C** Distribution subject to section 737

**20 Other information**

**A** Investment income

**B** Investment expenses

**C** Fuel tax credit information

**D** Qualified rehabilitation expenditures (other than rental real estate)

**E** Basis of energy property

**F** Recapture of low-income housing credit (section 42(j)(5))

**G** Recapture of low-income housing credit (other)

**H** Recapture of investment credit

**I** Recapture of other credits

**J** Look-back interest — completed long-term contracts

**K** Look-back interest — income forecast method

**L** Dispositions of property with section 179 deductions

**M** Recapture of section 179 deduction

**N** Interest expense for corporate partners

**O** Section 453(f)(3) information

**P** Section 453A(c) information

**Q** Section 1260(b) information

**R** Interest allocable to production expenditures

**S** CCF nonqualified withdrawals

**T** Depletion information — oil and gas

**U** Amortization of reforestation costs

**V** Unrelated business taxable income

**W** Precontribution gain (loss)

**X** Other information

**Report on**

Form 5884, line 3

See the Partner's Instructions

Form 8844, line 3

See the Partner's Instructions

Form 8846, line 5

Form 1040, line 62

See the Partner's Instructions

See the Partner's Instructions

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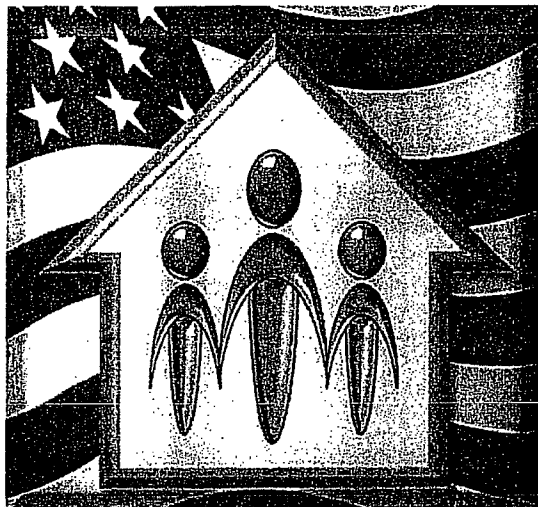
See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

See the Partner's Instructions

## Exhibit G



# American Housing Foundation

December 31, 2008

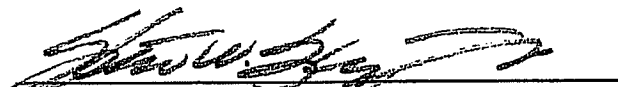
MC-CDC San Angelo, Ltd.  
1800 S. Washington Street, Suite 311  
Amarillo, Texas 79102  
TIN# 26-1599882

Re: Acknowledgement of Gift in the Amount of \$2,547,550 to American Housing Foundation  
TIN# 75-2315295

Dear Friends of American Housing Foundation:

Thank you for your generous gift to the Foundation which will provide funding for affordable housing and educational opportunities to low-income individuals and families. It is greatly appreciated.

Best regards,

  
Steve W. Sterquell, President

## Exhibit H



RE: Question

Page 1 of 3

**RE: Question**

Steve Sterquell

Sent: Tuesday, February 24, 2009 5:16 PM

To: Jack Hall [jhall@herringbank.com]

You did until December 31, 2008. This was the Hotel that Campbell wanted a charitable gift for. We could not do the gift last year because the Bank had held it in REO. At the end of last year we reflected that the LLC purchased it and the Bank held an interest in the LLC for long enough to get the charitable gift.

From: Jack Hall [mailto:jhall@herringbank.com]

Sent: Tuesday, February 24, 2009 5:06 PM

To: Steve Sterquell

Subject: RE: Question

Do we have a interest in MC-CDC San Angelo?

Jack Hall  
Herring Bank  
2201 Civic Circle  
Amarillo, TX 79109  
Telephone 806-877-7000 Ext 620  
Fax 806-354-2273  
jhall@herringbank.com

-----Original Message-----

From: Steve Sterquell [mailto:steve@americanhousing.org]

Sent: Tuesday, February 24, 2009 4:22 PM

To: Jack Hall

Subject: RE: Question

Jack:

Is Herring Financial Services part of Herring Bank or separate?

**For Herring Bank:**

MC-CDC San Angelo K-1

- Line 1: Ordinary Loss (\$178.00)
- Line 9a: Long Term Capital Gain \$1,428,440
- Line 13E: Charitable Contribution \$2,547,295

**For Herring Bank**

LIHTC Canterbury-Puckett K-1

- No gain or loss

**For Herring Bank and Vaudry Capital**

LIHTC River Falls-Three Fountains K-1

- No gain or loss

**For Herring Bank**

LIHTC Amarillo Gardens K-1

- No gain or loss

The remaining K-1's are for various interest of the Burgess Family. I believe this all that Herring Bank is a

<http://mail.americanhousing.org/owa/?ac=Item&t=IPM.Note&id=RgAAAAA66BgY3pQ...> 5/20/2009

CONFIDENTIAL

Sterqfam A 20286